

Major Development Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2023

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 2023, 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 2023, 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 2024

Major Development Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	362,294,251	1,007,512,875	91,118,533	316,542,753
Trade and other receivables	6, 8	123,461,395	145,123,697	785,070,018	638,488,150
Short-term loans to related parties	6	-	-	3,448,347,593	3,439,200,000
Current portion of long-term loans to related parties	6	266,600,000	268,633,886	266,466,736	268,633,886
Real estate development cost	9	10,119,086,650	6,677,038,744	9,487,227	36,474,790
Advances for construction		200,986,801	213,315,808	14,198,052	14,186,548
Deposits for purchase of land		167,875,350	66,488,060	-	-
Cost to obtain contracts with customers	10	11,552,769	35,976,938	-	-
Other current assets		40,829,162	45,309,904	1,300,520	1,393,360
Total current assets		11,292,686,378	8,459,399,912	4,615,988,679	4,714,919,487
Non-current assets					
Restricted bank deposits	11	14,046,167	19,944,574	71,000	758,347
Prepayment for purchase of shares	12	-	796,419,330	-	-
Investments in subsidiaries	12	-	-	5,307,234,725	5,081,323,727
Investments in joint ventures	13	340,021,941	225,521,573	158,270,988	68,090,538
Long-term loans to related parties	6	254,838,450	398,624,758	573,715,911	711,500,000
Investment properties	14	2,984,970,283	4,126,744,393	853,964,000	832,501,000
Property, plant and equipment	15	2,022,766,823	2,063,236,882	52,407,257	44,924,555
Intangible assets	16	21,597,331	19,302,731	682,139	781,217
Deposits for purchase of land	35	87,500,000	87,500,000	-	-
Deferred tax assets	31	246,663,817	181,171,456	211,126	746,807
Other non-current assets		103,156,789	88,751,101	13,579,953	21,789,552
Total non-current assets		6,075,561,601	8,007,216,798	6,960,137,099	6,762,415,743
Total assets		17,368,247,979	16,466,616,710	11,576,125,778	11,477,335,230

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 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft from financial institution	17	1,147,841	-	-	-
Current portion of long-term loans from third parties	20	43,025,856	-	43,025,856	-
Short-term loans from third parties	18	172,000,000	150,000,000	-	-
Trade and other payables	19	370,238,472	406,571,362	468,900,057	424,955,307
Retention payables		138,373,728	155,576,615	13,172,228	13,193,843
Deposits and advances from customers		371,831,599	282,621,951	19,771,621	21,430,611
Short-term loans from related parties	6	-	-	979,500,060	870,500,000
Current portion of long-term loans from financial institutions	21	813,664,748	619,018,941	-	-
Current portion of lease liabilities	23	3,811,144	8,933,443	-	490,401
Current portion of debentures	22	1,818,396,494	2,813,155,546	1,818,396,494	2,663,600,123
Income tax payable		9,454,061	19,154,892	-	-
Other current liabilities		131,651,431	125,438,828	85,758,741	88,623,838
Total current liabilities		3,873,595,374	4,580,471,578	3,428,525,057	4,082,794,123
Non-current liabilities					
Long-term loans from third parties	20	90,000,000	40,486,122	90,000,000	40,486,122
Long-term loans from financial institutions	21	4,663,797,890	3,511,482,985	-	-
Debentures	22	3,666,495,560	2,962,133,927	3,666,495,560	2,962,133,927
Lease liabilities	23	20,719,558	23,228,529	-	-
Provision for long-term employee benefits	24	60,128,656	51,086,996	-	-
Deferred tax liabilities	31	307,476,317	299,384,722	148,542,553	144,249,953
Other non-current liabilities		44,133,043	38,419,081	-	-
Total non-current liabilities		8,852,751,024	6,926,222,362	3,905,038,113	3,146,870,002
Total liabilities		12,726,346,398	11,506,693,940	7,333,563,170	7,229,664,125

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 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Shareholders' equity					
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	25	105,000,000	105,000,000	105,000,000	105,000,000
Unappropriated		2,510,307,933	2,839,624,113	2,401,883,730	2,406,992,227
Other components of shareholders' equity	26	291,800,881	279,698,774	-	-
Equity attributable to owners of the Company		4,642,787,692	4,960,001,765	4,242,562,608	4,247,671,105
Non-controlling interests of the subsidiaries		(886,111)	(78,995)	-	-
Total shareholders' equity		4,641,901,581	4,959,922,770	4,242,562,608	4,247,671,105
Total liabilities and shareholders' equity		17,368,247,979	16,466,616,710	11,576,125,778	11,477,335,230
		-	-	-	-

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 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Sales	27	1,640,054,669	2,371,711,239	19,888,280	125,972,829
Revenues from hotel operations		266,918,390	177,079,585	-	-
Management fee income		82,074,534	78,885,938	-	-
Rental income		174,521,609	132,740,587	5,472,000	5,172,000
Net gain from change in fair value of investment properties	14	19,955,136	134,483,676	21,463,000	13,187,000
Dividend income	12, 13	-	-	201,697,500	52,500,000
Other income		53,343,091	87,067,950	5,441,656	4,782,914
Total revenues		2,236,867,429	2,981,968,975	253,962,436	201,614,743
Expenses					
Cost of sales		1,107,446,671	1,714,864,561	11,452,133	91,942,437
Cost from hotel operations		180,611,117	136,384,129	-	-
Cost of services		69,551,865	67,306,868	-	-
Cost of rental		47,687,757	40,663,268	-	-
Selling expenses		316,156,632	365,230,359	3,947,344	17,054,692
Administrative expenses	12, 14, 15	607,097,871	692,616,247	42,730,771	76,221,631
Total expenses		2,328,551,913	3,017,065,432	58,130,248	185,218,760
Operating profit (loss)		(91,684,484)	(35,096,457)	195,832,188	16,395,983
Share of profit from investments in joint ventures	13.2	106,808,514	147,525,145	-	-
Finance income	28	42,794,184	43,270,742	318,900,197	260,129,976
Finance cost	29	(426,996,703)	(504,310,718)	(515,012,601)	(450,696,840)
Loss before income tax income (expenses)		(369,078,489)	(348,611,288)	(280,216)	(174,170,881)
Income tax income (expenses)	31	38,955,193	(21,790,590)	(4,828,281)	(4,177,883)
Loss for the year		(330,123,296)	(370,401,878)	(5,108,497)	(178,348,764)
Loss attributable to:					
Equity holders of the Company		(329,316,180)	(369,913,719)	(5,108,497)	(178,348,764)
Non-controlling interests of the subsidiaries		(807,116)	(488,159)		
		(330,123,296)	(370,401,878)		
Loss per share					
Basic loss per share					
Loss attributable to equity holders of the Company		(0.38)	(0.43)	(0.01)	(0.21)

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 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Loss for the year	(330,123,296)	(370,401,878)	(5,108,497)	(178,348,764)
Other comprehensive income:				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain	-	10,359,649	-	-
Less: Income tax effect	-	(2,071,930)	-	-
	-	8,287,719	-	-
Changes in revaluation of assets	15,127,634	15,187,623	-	-
Less: Income tax effect	(3,025,527)	(3,037,525)	-	-
	12,102,107	12,150,098	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	12,102,107	20,437,817	-	-
Total comprehensive income for the year	(318,021,189)	(349,964,061)	(5,108,497)	(178,348,764)
Total comprehensive income attributable to:				
Equity holders of the Company	(317,214,073)	(349,475,902)	(5,108,497)	(178,348,764)
Non-controlling interests of the subsidiaries	(807,116)	(488,159)		
	(318,021,189)	(349,964,061)		

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 2023

(Unit: Baht)

Consolidated financial statements

	Equity attributable to owners of the Company							Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other component of equity Surplus on revaluation of assets	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries				Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated							
Balance as at 1 January 2022	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)			
Balance as at 31 December 2022	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			
Balance as at 1 January 2023	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			
Loss for the year	-	-	-	(329,316,180)	-	(329,316,180)	(807,116)	(330,123,296)			
Other comprehensive income for the year	-	-	-	-	12,102,107	12,102,107	-	12,102,107			
Total comprehensive income for the year	-	-	-	(329,316,180)	12,102,107	(317,214,073)	(807,116)	(318,021,189)			
Balance as at 31 December 2023	860,411,939	875,266,939	105,000,000	2,510,307,933	291,800,881	4,642,787,692	(886,111)	4,641,901,581			
	-	-	-	-	-	-	-	-			
	-	-	-	-	-	-	-	-			

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 2023

(Unit: Baht)

Separate financial statements

	Retained earnings				Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022	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)
Balance as at 31 December 2022	860,411,939	875,266,939	105,000,000	2,406,992,227	4,247,671,105
Balance as at 1 January 2023	860,411,939	875,266,939	105,000,000	2,406,992,227	4,247,671,105
Loss for the year	-	-	-	(5,108,497)	(5,108,497)
Total comprehensive income for the year	-	-	-	(5,108,497)	(5,108,497)
Balance as at 31 December 2023	860,411,939	875,266,939	105,000,000	2,401,883,730	4,242,562,608
	-	-	-	-	-
	-	-	-	-	-

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 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Loss before tax	(369,078,489)	(348,611,288)	(280,216)	(174,170,881)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	100,358,401	107,550,025	5,316,953	5,761,018
Impairment loss on investment in subsidiary	-	-	5,598,902	-
Allowance for expected credit losses	455,139	115,034	10,448,770	-
Gain on disposal of investment in a subsidiary (Note 12)	(506,721)	-	-	-
Loss (gain) on sale and write-off of assets	1,963,852	39,657,455	-	38,350,395
Loss from the retirement of assets	46,634,271	-	-	-
Reversal of impairment loss of assets	(13,065,493)	-	(1,537,224)	-
Write-off of withholding tax deducted at source and value added tax	-	348,693	-	-
Provision for long-term employee benefits	9,041,660	9,304,179	-	-
Share of profit from investments in joint ventures	(106,808,514)	(147,525,145)	-	-
Net gain from change in fair value of investment properties	(19,955,136)	(134,483,676)	(21,463,000)	(13,187,000)
Dividend income	-	-	(201,697,500)	(52,500,000)
Finance income	(42,794,184)	(43,270,742)	(318,900,197)	(260,129,976)
Finance cost	366,037,857	476,487,292	492,639,899	428,015,581
Profit (loss) from operating activities before changes in operating assets and liabilities	(27,717,357)	(40,428,173)	(29,873,613)	(27,860,863)
Operating assets (increase) decrease				
Trade and other receivables	327,538,054	21,013,390	(29,671,376)	648,068,335
Real estate development cost	92,029,846	1,025,055,943	11,452,134	91,942,437
Advances for construction	12,329,007	(148,150,803)	(11,504)	-
Deposits for purchase of land	(380,906,340)	(34,680,440)	-	-
Cost to obtain contracts with customers	24,424,169	31,193,907	-	-
Other current assets	5,075,799	9,040,500	92,840	5,724,949
Other non-current assets	(4,000,453)	(292,012)	77,193	(721,296)
Operating liabilities increase (decrease)				
Trade and other payables	(50,023,704)	66,821,716	(7,999,036)	(6,772,761)
Retention payables	(17,202,887)	(17,850,167)	(21,615)	(213,339)
Deposits and advances from customers	89,209,648	(58,937,003)	(1,658,990)	(168,952)
Other current liabilities	1,981,687	(118,516,026)	(2,865,097)	(121,805,929)
Other non-current liabilities	5,713,962	8,520,175	-	-
Cash flows from (used in) operating activities	78,451,431	742,791,007	(60,479,064)	588,192,581
Interest paid	(781,236,248)	(593,723,788)	(438,898,125)	(383,875,705)
Cash received from withholding tax deducted at source and value added tax	11,751,611	26,158,685	10,526,999	-
Corporate income tax paid	(53,328,777)	(48,441,827)	(2,394,593)	(4,091,553)
Net cash flows from (used in) operating activities	(744,361,983)	126,784,077	(491,244,783)	200,225,323

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 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Decrease in restricted bank deposits	5,898,407	21,080,992	687,347	3,076
Acquisition of investment properties	(6,891,853)	(484,556,185)	-	-
Cash received from sales of investment properties	47,139	-	-	-
Acquisition of plant and equipment	(16,281,508)	(25,750,940)	(143,724)	-
Cash received from sales of plant and equipment	5,224,922	2,274,139	4,515,800	1,801,529
Acquisition of intangible assets	(6,732,520)	(6,601,500)	-	-
Cash payment for acquisition of the subsidiaries (Note 12)	(518,058,956)	-	(232,509,850)	(150,000,000)
Prepayment for purchase of shares	-	(250,183,076)	-	-
Cash received (decrease) from disposal of investment in a subsidiary (Note 12)	(595,932)	-	980,000	-
Cash payment for investment in a joint ventures	(89,160,750)	-	(89,160,750)	-
Cash received from short-term loans to related parties	85,488,060	-	864,500,000	312,000,000
Cash payment for short-term loans to related parties	-	-	(881,200,000)	(1,315,914,584)
Cash received from long-term loans to related parties	166,633,886	149,566,114	166,633,886	149,566,114
Cash payment for long-term loans to related parties	(28,050,000)	-	(28,050,000)	-
Interest received	75,561,601	55,402,163	200,460,695	103,400,479
Dividend received	89,197,560	-	89,197,560	52,500,000
Net cash flows from (used in) investing activities	(237,719,944)	(538,768,293)	95,910,964	(846,643,386)
Cash flows from financing activities				
Increase in bank overdraft from financial institution	1,147,841	-	-	-
Increase (decrease) in short-term loans	22,000,000	(32,000,000)	-	(182,000,000)
Cash received from short-term loans from related parties	-	-	505,000,000	918,450,000
Repayment of short-term loans from related parties	-	-	(283,500,000)	(144,350,000)
Cash received from long-term loans from third parties	90,000,000	44,000,000	90,000,000	44,000,000
Repayment of lease liabilities	(10,194,990)	(12,007,616)	(490,401)	(703,386)
Cash received from debentures	2,532,600,000	2,464,300,000	2,532,600,000	2,464,300,000
Repayment of debentures	(2,823,700,000)	(2,788,600,000)	(2,673,700,000)	(2,188,600,000)
Cash received from long-term loans from financial institutions	1,197,115,065	2,184,383,200	-	-
Repayment of long-term loans from financial institutions	(672,104,613)	(979,626,238)	-	-
Net cash flows from financing activities	336,863,303	880,449,346	169,909,599	911,096,614
Net increase (decrease) in cash and cash equivalents	(645,218,624)	468,465,130	(225,424,220)	264,678,551
Cash and cash equivalents at beginning of year	1,007,512,875	539,047,745	316,542,753	51,864,202
Cash and cash equivalents at end of year	362,294,251	1,007,512,875	91,118,533	316,542,753
	-	-	-	-

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 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Supplemental cash flows information				
Non-cash items				
Increase in right-of-use and lease liabilities				
from new lease agreements	2,563,720	13,617,167	-	-
Decrease in interest receivable from related parties by				
offset with short-term loans from related parties	-	-	-	46,600,000
Transferred investment properties to real estate development cost	1,160,460,422	489,560,000	-	-
Transferred real estate development cost to property, plant and equipment	15,535,429	16,948,370	15,535,429	-
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 prepayment for purchase of shares to investments in subsidiaries	796,419,330	-	-	-
Decrease in short-term loans from related parties by offset with dividend income	-	-	112,499,940	-

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 2023

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	
			2023	2022
			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	Thailand	100	100
MJC Development Company Limited	Development of properties for sales	Thailand	100	100
MJD Residences Company Limited	Development of properties for sales	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023	2022
			Percent	Percent
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
MJV5 Co., Ltd.	Development of properties for sales	Thailand	100	-
39 Residence Co., Ltd.	Development of properties for sales	Thailand	100	-
MM Residences One Co., Ltd.	Development of properties for sales	Thailand	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
Intelligence Development Company Limited	Development of properties for sales	Thailand	100	-

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 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 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 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 of the standards.

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 any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Amortisation of intangible assets, 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, 30	years	plus extension option reasonably certain to be exercised
Equipment	3, 4	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, 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets the liabilities simultaneously.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and 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.

<u>Name of related parties</u>	<u>Relationship</u>
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.
GS E&C Development (Thailand) Co., Ltd.	Shareholder of MJV4 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		
	2023	2022	2023	2022	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	279	218	6.80% to 7.50% per annum
Dividend income	-	-	112	53	As declared
Land rental income	-	-	5	5	Cost plus margin
Interest expense	-	-	63	20	2.00 to 7.00% per annum
<u>Transactions with related parties</u>					
Interest income	36	41	36	41	Rate based on MLR per annum
Dividend income	-	-	89	-	As declared
Purchase of a condominium unit	-	86	-	-	Close to the price charged to other customers of the same project
Purchase of intangible assets	6	6	-	-	Market price
Service fee	2	4	-	-	Market price

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

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	703,281	528,441
Joint ventures	85,381	109,959	80,816	108,915
Total other receivables - related parties	85,381	109,959	784,097	637,356
<u>Other payables - related parties (Note 19)</u>				
Subsidiaries	-	-	407,508	334,361
Joint ventures	1,392	1,392	1,392	1,392
Director	72	32	-	-
Total other payable - related parties	1,464	1,424	408,900	335,753

Loans to related parties and loans from related parties

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

(Unit: Thousand Baht)

Short-term loan to	Consolidated financial statements			
	Balance as at			Balance as at
	2022	Increase	Decrease	2023
MJV4 Co., Ltd.	-	85,488	(85,488)	-
Total	-	85,488	(85,488)	-

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

(Unit: Thousand Baht)

Short-term loans to	Separate financial statements					
	Balance as at				Allowance	Balance as at
	2022	Increase	Decrease	Total	for expected credit loss	31 December 2023
Major Development Estate Company Limited	1,717,000	175,000	(439,000)	1,453,000	-	1,453,000
Major Development Commercial Company Limited	659,000	29,000	-	688,000	(4,004)	683,996
Major Development Hotels and Resorts Company Limited	178,500	26,000	(204,500)	-	-	-
MJV2 Co., Ltd.	284,000	167,500	-	451,500	(725)	450,775
MJR Development Company Limited	542,000	190,700	(150,000)	582,700	(1,809)	580,891
MJP Property Company Limited	22,700	173,000	-	195,700	(882)	194,818
MJC Development Company Limited	31,000	1,000	(32,000)	-	-	-
MJV4 Co., Ltd.	5,000	34,000	(39,000)	-	-	-
MJV5 Co., Ltd.	-	82,000	-	82,000	(132)	81,868
39 Residence Co., Ltd.	-	3,000	-	3,000	-	3,000
Total	3,439,200	881,200	(864,500)	3,455,900	(7,552)	3,448,348

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
	2022	Increase	Decrease	2023
Major Residences Company Limited	270,300	-	-	270,300
MJD-JV1 Co., Ltd.	166,634	-	(166,634)	-
MJV3 Co., Ltd.	243,200	28,050	-	271,250
Total	680,134	28,050	(166,634)	541,550
Less: Allowance for impairment loss from investment in joint venture	(12,875)			(20,112)
Total	667,259			521,438
Less: Current portion	(268,634)			(266,600)
Long-term portion	398,625			254,838

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 2027 (2022: due for payment within December 2023 to November 2025).

(Unit: Thousand Baht)

Long-term loans to	Separate financial statements					
	Balance as at				Allowance	Balance as at
	31 December				for expected	31 December
	2022	Increase	Decrease	Total	credit loss	2023
Major Residences						
Company Limited	270,300	-	-	270,300	-	270,300
MJD-JV1 Co., Ltd.	166,634	-	(166,634)	-	-	-
MJV3 Co., Ltd.	243,200	28,050	-	271,250	(436)	270,814
MJR Development						
Company Limited	300,000	-	-	300,000	(932)	299,068
Total	980,134	28,050	(166,634)	841,550	(1,368)	840,182
Less: Current portion	(268,634)					(266,467)
Long-term portion	711,500					573,715

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 November 2027 (2022: due for payment within December 2023 to September 2026).

(Unit: Thousand Baht)

Short-term loans from	Separate financial statements			
	Balance as at		Balance as at	
	31 December		31 December	
	2022	Increase	Decrease	2023
Major Development Residences Company Limited	105,500	-	(500)	105,000
MJD Residences Company Limited	305,000	446,000	(155,500)	595,500
MJP Property Company Limited	240,000	-	-	240,000
MJR Development Company Limited	220,000	-	(220,000)	-
MJC Development Company Limited	-	59,000	(20,000)	39,000
Total	870,500	505,000	(396,000)	979,500

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

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	121	111	2	3
Post-employment benefits	4	3	-	-
Total	125	114	2	3

Guarantee obligations with related parties

The Company has obligations in respect of guarantees of related parties obtained from banks as described in Note 34.2 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	
	2023	2022	2023	2022
Cash	1,375	2,173	23	58
Bank deposits	360,919	1,005,340	91,096	316,485
Total	362,294	1,007,513	91,119	316,543

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interests between 0.15% and 0.60% per annum (2022: 0.10% and 0.40% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Past due				
Not yet due	8,666	8,069	-	-
Up to 3 months	10,462	8,049	-	-
3 - 6 months	627	544	-	-
6 - 12 months	319	-	-	-
Over 12 months	1,860	2,658	-	-
Total	21,934	19,320	-	-
Less: Allowance for expected credit losses	(455)	(910)	-	-
Total trade receivables - unrelated parties, net	21,479	18,410	-	-
<u>Other receivables</u>				
Other receivables and advances - related parties	23,778	20,332	60,828	31,789
Other receivables and advances - unrelated parties	16,601	16,755	973	1,132
Interest receivables - related parties	61,603	89,627	724,798	605,567
Total	101,982	126,714	786,599	638,488
Less: Allowance for expected credit losses	-	-	(1,529)	-
Total other receivables - net	101,982	126,714	785,070	638,488
Total trade and other receivables, net	123,461	145,124	785,070	638,488

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Beginning balance	910	794	-	-
Provision for expected credit losses	(455)	116	1,529	-
Ending balance	455	910	1,529	-

9. Real estate development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Land and construction under development	7,893,512	4,783,789	-	-
Developed land and construction	2,225,575	1,893,250	9,487	36,475
Total	10,119,087	6,677,039	9,487	36,475

During the year, subsidiaries capitalised interest amounting to Baht 373 million (2022: Baht 145 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 21 to the financial statements.

As at 31 December 2023 and 2022, the Group has mortgaged some real estate development cost as collateral against credit facilities received from banks and short-term loan from third parties, guaranteed as collateral at the Court. Their net book values are as follows:

	Consolidated	
	financial statements	
	2023	2022
Net book values of real estate development cost that have been pledged as collateral	9,551	6,199
Net book values of real estate development cost that have been guaranteed at the court	3	-

10. Costs to obtain contracts with customers

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Net book value at beginning of year	35,977	67,171	-	-
Additions	39,158	55,744	1,064	2,738
Amortisation	(63,582)	(86,938)	(1,064)	(2,738)
Net book value at end of year	11,553	35,977	-	-

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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)						
Major Development Hotels and										
Resorts Company Limited	630,510	400,000	100	100	630,509	399,999	(245,399)	(239,800)	385,110	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	750,000	100	100	750,000	750,000	(363,623)	(363,623)	386,377	386,377
MJP Property Company Limited	600,000	600,000	100	100	600,000	600,000	-	-	600,000	600,000
MJC Development Company Limited	600,000	600,000	100	100	600,000	600,000	-	-	600,000	600,000
MJD Residences Company Limited	750,000	750,000	100	100	750,000	750,000	-	-	750,000	750,000
Major Development Property										
Partners Company Limited	2,750	2,750	100	100	2,750	2,750	-	-	2,750	2,750
Major Development Estate										
Company Limited	1,520,000	1,520,000	100	100	1,520,000	1,520,000	-	-	1,520,000	1,520,000
Major Development Commercial										
Company Limited	900,000	900,000	100	100	900,000	900,000	-	-	900,000	900,000
MDPC Company Limited	10,000	10,000	100	100	9,999	9,999	-	-	9,999	9,999
MJV2 Co., Ltd.	50,000	50,000	100	100	50,000	50,000	-	-	50,000	50,000
MJV4 Co., Ltd.	-	2,000	-	100	-	2,000	-	-	-	2,000
MJV5 Co., Ltd.	1,000	-	100	-	1,000	-	-	-	1,000	-
39 Residence Co., Ltd.	1,000	-	100	-	1,000	-	-	-	1,000	-
MM Residences One Co., Ltd.	1,000	-	100	-	1,000	-	-	-	1,000	-
Total					5,916,257	5,684,747	(609,022)	(603,423)	5,307,235	5,081,324

Movements of the investments in subsidiaries during the year ended 31 December 2023 are as follows:

Direct investments

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.

Major Development Hotels and Resorts Company Limited

On 2 October 2023, the Extraordinary General Meeting of shareholders of Major Development Hotels and Resorts Company Limited (“subsidiary”) passed a resolution to increase the registered share capital from Baht 400 million to Baht 750 million, by issuing 3,500,000 additional ordinary shares with a par value of Baht 100 each. The subsidiary called for the payment of the initial shares amounting to Baht 217.5 million. The Company invested and paid for the aforementioned common shares, and the subsidiary registered the increase with the Ministry of Commerce on 4 October 2023.

Subsequently, in December 2023, the subsidiary additionally called for the payment of shares amounting to Baht 13.0 million, totaling Baht 230.5 million which is equivalent to 65.9% of the additional registered shares. The Company paid the above share capital and the subsidiary registered the increase with the Ministry of Commerce on 28 December 2023.

39 Residence Co., Ltd.

The Company invested in 39 Residence Co., Ltd., which is a newly registered company 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 invested and paid Baht 1 million for ordinary shares, representing 99.99% of all shares.

MM Residences One Co., Ltd.

The Company invested in MM Residences One Co., Ltd., which is a newly registered company with the Ministry of Commerce on 15 December 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 in the above 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.

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	(825,000)
Net assets of subsidiary	<u>1,316,841</u>
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>

(Unit: Thousand Baht)

26 June 2023

Consolidated financial statements

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>518,060</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 year, 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)
	22 September 2023
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	966
Cash received from disposal of investment in a subsidiary	980
<u>Less:</u> Cash and cash equivalents of a subsidiary	(1,576)
Decrease in cash flow from disposal of investment in a subsidiary	(596)

On 11 October 2023, the Extraordinary General Meeting of shareholders of MJV4 Co., Ltd. (“joint venture”) passed a resolution to increase the registered share capital from Baht 2 million to Baht 317 million, by issuing 3,150,000 additional ordinary shares with a par value of Baht 100 each. The joint venture called for the payment of the initial shares amounting to Baht 110.3 million. The Company invested and paid for 1,606,029 ordinary shares, which is equivalent to 51% of total additional shares. The joint venture registered the increase with the Ministry of Commerce on 12 October 2023.

Subsequently, in November 2023, the joint venture additional called for the payment of shares amounting to Baht 64.6 million, totaling Baht 174.8 million which is equivalent to 55.5% of the additional registered shares. The Company paid the above share capital and the joint venture registered the increase with the Ministry of Commerce on 15 November 2023.

Dividend income

MJD Residences Company Limited

On 3 October 2022, the Board of Director’s Meeting of the subsidiary approved the interim dividends payment of Baht 7 per shares. The Company received dividend income from the subsidiary of Baht 52.5 million.

On 24 August 2023, the Board of Directors’ meeting of the 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.

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	
			2023	2022	2023	2022	2023	2022
			(%)	(%)				
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	29,852	15,896
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	43,137	43,542
MJD-JV1 Co., Ltd.	Development of properties for sales	Thailand	51	51	510	510	173,244	160,409
MJV3 Co., Ltd.	Development of properties for sales	Thailand	51	51	5,100	5,100	-	-
MJV4 Co., Ltd.	Development of properties for sales	Thailand	51	-	90,181	-	88,235	-
Techscape Co., Ltd.	Development and design of application platform	Thailand	51	51	5,745	5,745	5,554	5,674
Total					195,885	105,704	340,022	225,521

(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	
			2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)						
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
MJV4 Co., Ltd.	Development of properties for sales	Thailand	51	-	90,181	-	-	-	90,181	-
Total					190,140	99,959	(31,869)	(31,869)	158,271	68,090

13.2 Share of profit or loss and dividend received

During the years, 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:

Joint ventures	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in joint ventures		Dividend received	
	2023	2022	2023	2022
Major Residences Company Limited	13,956	(38,319)	-	-
TMDC Construction Company Limited	(405)	(559)	-	-
MJD-JV1 Co., Ltd.	102,033	196,285	89,198	-
MJV3 Co., Ltd.	(7,236)	(9,942)	-	-
MJV4 Co., Ltd.	(1,419)	-	-	-
Techscape Co., Ltd.	(120)	60	-	-
Total	106,809	147,525	89,198	-

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.	
	2023	2022	2023	2022
Cash and cash equivalents	13	8	56	62
Real estate development cost	741	1,072	411	943
Advances for construction	17	23	4	11
Other current assets	12	21	-	101
Cost to obtain contracts with customers	-	1	-	3
Other non-current assets	73	60	2	24
Total assets	856	1,185	473	1,144
Current portion of long-term loan	367	589	-	167
Deposits and advances from customers	1	4	19	344
Other current liabilities	164	298	36	105
Long-term loans	194	183	40	161
Total liabilities	726	1,074	95	777

(Unit: Million Baht)

	Major Residences			
	Company Limited		MJD-JV1 Co., Ltd.	
	2023	2022	2023	2022
Net assets	130	111	378	367
Shareholding percentage (%)	51	51	51	51
Net assets in proportion of shareholding percentage	66	57	193	187
Elimination entries	(36)	(41)	(20)	(27)
Carrying amounts of joint ventures based on equity method	30	16	173	160

Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December

	Major Residences			
	Company Limited		MJD-JV1 Co., Ltd.	
	2023	2022	2023	2022
Revenue	439	256	862	1,792
Other income	19	24	9	29
Cost of sales	(333)	(211)	(542)	(1,218)
Selling and administrative expenses	(68)	(88)	(68)	(143)
Finance cost	(36)	(41)	(10)	(28)
Income tax expenses	-	(22)	(62)	(84)
Profit (loss)	21	(82)	189	348
Shareholding percentage (%)	51	51	51	51
Profit (loss) in proportion of shareholding percentage	10	(42)	96	177
Elimination entries	4	4	6	19
Share of profit (loss) from investments in joint ventures	14	(38)	102	196

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 2022	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
Additions	6	6,686	-	200	6,892
Capitalised interest	-	-	-	38,586	38,586
Transferred to real estate development cost	(877,749)	(218,344)	-	(64,369)	(1,116,462)
Adjust	-	(20)	-	-	(20)
Disposals	-	(91)	-	-	(91)
Loss from the retirement of assets	-	(46,634)	-	-	(46,634)
Gain from change in fair value	652	19,303	-	-	19,955
Net book value as at 31 December 2023	58,835	2,920,615	5,520	-	2,984,970

(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 2022	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
Gain from change in fair value	21,463	-	21,463
Net book value as at 31 December 2023	848,444	5,520	853,964

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 have been determined using the income approach.

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

	Consolidated financial statements		Result to fair value whereas an increase in assumption value
	2023	2022	
Occupancy rate (%)	44 - 99	24 - 94	Increase in fair value
Discount rate (%)	10	10	Decrease in fair value
Rental rate (Baht/m ²)	400 - 770	400 - 770	Increase in fair value

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

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Rental income				
Fixed rental income	135,460	106,663	5,472	5,172
Rental income relating to variable lease payments that do not depend on an index or a rate	39,062	26,078	-	-
Direct operating expenses (including repairs and maintenance) of investment property that generated rental income	5,842	4,991	-	-
Direct operating expenses (including repairs and maintenance) of investment property that did not generate rental income	915	806	-	-

The Group has mortgaged investment properties with carrying values as at 31 December 2023 amounting to Baht 2,587 million (Separate financial statements: Baht 848 million) (2022: Baht 3,606 million, Separate financial statements: Baht 714 million) with commercial banks as collateral against credit facilities received from banks and long-term loans from third parties and guarantee as collateral against at the issuance of the debentures and at the Court.

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Net book value				
Property, plant and equipment	1,979,072	2,012,124	51,949	43,697
Right-of-use assets (Note 23)	43,695	51,113	458	1,228
Total	2,022,767	2,063,237	52,407	44,925

Movements of property, plant and equipment for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation	Cost basis					
	basis	Right-of-use	Buildings,	Furniture,	Motor	Construction	Total
	Land	assets	and building	fixtures and	vehicles	in progress	
	(Land)	improvements	office	equipment			
Cost/Revalued amount:							
1 January 2022	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
Additions	-	-	775	17,691	261	118	18,845
Disposals	-	-	(4,878)	(4,294)	(1,099)	-	(10,271)
Write-off	-	-	(1,065)	(6,430)	-	-	(7,495)
Transfers in (out)	-	-	-	17	-	(17)	-
Transferred from real estate development cost	-	-	15,535	-	-	-	15,535
Revaluations	15,128	-	-	-	-	-	15,128
31 December 2023	822,325	29,847	1,708,785	303,060	57,200	118	2,921,335

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	
Accumulated depreciation:							
1 January 2022	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
Depreciation for the year	-	987	75,519	12,996	8,112	-	97,614
Depreciation on disposals	-	-	(1,424)	(4,226)	(798)	-	(6,448)
Depreciation on write-off	-	-	(431)	(5,458)	-	-	(5,889)
31 December 2023	2,366	3,128	591,179	255,310	44,415	-	896,398
Allowance for impairment loss:							
1 January 2022	-	-	15,235	-	-	-	15,235
31 December 2022	-	-	15,235	-	-	-	15,235
Increase during the year	-	-	2,170	-	-	-	2,170
Decrease during the year	-	-	(15,235)	-	-	-	(15,235)
31 December 2023	-	-	2,170	-	-	-	2,170
Net book value:							
31 December 2022	804,831	27,706	1,165,668	44,078	20,937	17	2,063,237
31 December 2023	819,959	26,719	1,115,436	47,750	12,785	118	2,022,767
Depreciation for the year							
2022 (Baht 61 million included in cost from hotel operations, and the balance in administrative expenses)							103,895
2023 (Baht 60 million included in cost from hotel operations, and the balance in administrative expenses)							97,614

(Unit: Thousand Baht)

	Separate financial statements			
	Cost basis			
	Buildings, and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost:				
1 January 2022	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
Additions	15	130	-	145
Disposals	(4,851)	(1,523)	-	(6,374)
Write-off	(535)	(28)	-	(563)
Transferred from real estate development cost	15,535	-	-	15,535
31 December 2023	90,149	32,000	11,261	133,410
Accumulated depreciation:				
1 January 2022	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
Depreciation for the year	4,423	26	770	5,219
Depreciation on disposals	(1,410)	(1,523)	-	(2,933)
Depreciation on write-off	(162)	(28)	-	(190)
31 December 2023	38,326	31,874	10,803	81,003
Allowance for impairment loss:				
1 January 2022	835	-	-	835
31 December 2022	835	-	-	835
Decrease during the year	(835)	-	-	(835)
31 December 2023	-	-	-	-
Net book value:				
31 December 2022	43,675	22	1,228	44,925
31 December 2023	51,823	126	458	52,407
Depreciation for the year				
2022 (included in administrative expenses)				4,878
2023 (included in administrative expenses)				5,219

The Group arranged for an independent professional valuer to appraise the value of land in 2023 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 2023 and 2022 would have been approximately Baht 466 million and Baht 466 million, respectively.

As at 31 December 2023, 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 251 million (2022: Baht 209 million).

Land, buildings and building improvements of the Group with carrying values as at 31 December 2023 amounting to Baht 1,589 million (Separate financial statements: Baht 31 million) (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.

16. Intangible assets

The net book value of intangible assets as at 31 December 2023 and 2022 is presented below.

	Consolidated financial statements			Separate financial statements		
	Computer		Total	Computer		Total
	Computer software	software under installation		Computer software	software under installation	
(Unit: Thousand Baht)						
As at 31 December 2023						
Cost	37,852	13,152	51,004	7,521	597	8,118
<u>Less</u> Accumulated amortisation	(29,407)	-	(29,407)	(7,436)	-	(7,436)
Net book value	<u>8,445</u>	<u>13,152</u>	<u>21,597</u>	<u>85</u>	<u>597</u>	<u>682</u>
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>

A reconciliation of the net book value of intangible assets for the years 2023 and 2022 is presented below.

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Net book value at beginning of year	19,303	16,495	781	1,664
Acquisition of computer software	6,732	6,602	-	-
Write-off	(1,694)	-	-	-
Amortisation	(2,744)	(3,655)	(99)	(883)
Adjust	-	(139)	-	-
Net book value at end of year	<u>21,597</u>	<u>19,303</u>	<u>682</u>	<u>781</u>

17. Bank overdraft from financial institution

Bank overdraft facility from financial institution is charged at rate based on MOR and secured by the mortgage of land and construction thereon of the subsidiaries and is guaranteed by the Company and the Company's director.

18. Short-term loans from third parties

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

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

19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade and other payables - unrelated parties	259,363	266,985	13,845	27,697
Advances received from related parties	1,464	1,424	324,025	312,765
Advances received from unrelated parties	319	810	-	-
Accrued interest expenses - related parties	-	-	84,875	22,988
Accrued interest expenses - unrelated parties	-	59,703	-	56,140
Accrued expenses - unrelated parties	109,093	77,649	46,155	5,365
Total	<u>370,239</u>	<u>406,571</u>	<u>468,900</u>	<u>424,955</u>

20. Long-term loans from third parties

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	2023	2022
Bill of exchange	44,000	44,000
Loan from third parties	90,000	-
Total	134,000	44,000
Less: Prepaid interest expenses	(974)	(3,514)
Long-term loans - net	133,026	40,486
Less: current portion	(43,026)	-
Long-term portion	<u>90,000</u>	<u>40,486</u>

Long-term bill of exchange is unsecured bill of exchange which carry interests at the rate of 6.20% per annum and are due for payment within May 2024.

Loans from third parties carry interests at the rate of 8.00% per annum and are due for payment within November 2026.

The subsidiary has mortgaged investment properties with third parties to secure the loans from third parties.

21. Long-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2023	2022
Long-term loans from financial institutions	5,477,463	4,130,502
Less: current portion	(813,665)	(619,019)
Long-term portion	<u>4,663,798</u>	<u>3,511,483</u>

Movements of the long-term loans account for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2023	2022
Balance at beginning of year	4,130,502	2,927,790
Add: Additional borrowings	1,197,115	2,184,383
Acquisition of assets	825,000	-
Less: Amortisation of financial fees	(3,050)	(2,045)
Repayment	<u>(672,104)</u>	<u>(979,626)</u>
Balance at end of year	<u>5,477,463</u>	<u>4,130,502</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 are to be made within 2024 - 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 2023, the subsidiaries had credit facilities which have not drawn down of Baht 2,682 million (2022: Baht 3,579 million).

22. 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 2023 and 2022 are detailed below.

Year of issuance	Interest rate (% p.a.)		Terms (years)		Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022	2023	2022	2023	2022
	2020	-	6.80	-	2 - 2.8	-	650	-
2021	6.80	6.40 - 6.80	2.5	1.5 - 2.5	923	2,697	923	2,697
2022	6.80 - 6.95	6.25 - 6.95	2.5	1.5 - 2.5	2,064	2,464	2,064	2,464
2023	7.00 - 7.10	-	2.5 - 2.6	-	2,533	-	2,533	-
Total long-term debentures - at face value					5,520	5,811	5,520	5,661
Less: Unamortised costs relating to the issuance of the debentures					(36)	(36)	(36)	(36)
Long-term debentures - net					5,484	5,775	5,484	5,625
Less: Portion due within one year					(1,818)	(2,813)	(1,818)	(2,663)
Portion due over one year					3,666	2,962	3,666	2,962

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

23. Leases

23.1 The Group as a lessee

As at 31 December 2023, the Group has lease contracts used in its operations. Leases generally have lease terms between 3 - 30 years (2022: 4 - 30 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 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			
		Office	Motor	
	Land	equipment	vehicles	Total
As at 1 January 2022	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
Additions	-	2,563	-	2,563
Depreciation for the year	(987)	(1,069)	(7,925)	(9,981)
As at 31 December 2023	<u>26,719</u>	<u>4,534</u>	<u>12,442</u>	<u>43,695</u>

(Unit: Thousand Baht)

	Separate financial statements
	Motor vehicles
	As at 1 January 2022
Depreciation for the year	(770)
As at 31 December 2022	1,228
Depreciation for the year	(770)
As at 31 December 2023	<u>458</u>

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Lease payment	26,010	34,183	-	500
Less: Deferred interest expenses	(1,479)	(2,021)	-	(9)
Total	24,531	32,162	-	491
Less: Portion due within one year	(3,811)	(8,933)	-	(491)
Lease liabilities - net of current portion	<u>20,720</u>	<u>23,229</u>	<u>-</u>	<u>-</u>

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Balance at beginning of year	32,162	30,552	491	1,194
Additions	2,588	13,617	-	-
Accretion of interest	1,349	1,379	10	48
Repayments	(11,568)	(13,386)	(501)	(751)
Balance at end of year	<u>24,531</u>	<u>32,162</u>	<u>-</u>	<u>491</u>

A maturity analysis of lease payments is disclosed in Note 36 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	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	9,981	12,147	770	770
Interest expense on lease liabilities	1,349	1,379	10	48

23.2 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 2023 and 2022 as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Within 1 year	193	158	5	5
Over 1 and up to 5 years	410	306	1	6
Total	603	464	6	11

24. Provision for long-term employee benefits

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2023	2022
Provision for long-term employee benefits at beginning of year	51,087	52,142
Included in profit or loss:		
Current service cost	7,404	7,882
Interest cost	1,638	766
Actuarial gain arising from		
Financial assumptions changes	-	(43)
Experience adjustments	-	(398)
Included in other comprehensive income:		
Actuarial loss (gain) arising from		
Demographic assumptions changes	-	3,118
Financial assumptions changes	-	(11,818)
Experience adjustments	-	(1,660)
Adjustment	-	1,098
Provision for long-term employee benefits at end of year	60,129	51,087

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 8 - 21 years (2022: 8 - 21 years).

Significant actuarial assumptions are summarised below.

	(Unit: percent per annum)	
	Consolidated financial statements	
	2023	2022
Discount rate	2.63 - 4.15	2.63 - 4.15
Salary increase rate	3 - 7	3 - 7
Staff turnover rate	1.91 - 57.30	1.91 - 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 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2023		2022	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(3,204)	3,603	(3,204)	3,603
Salary increase rate	4,090	(3,696)	4,090	(3,696)
Staff turnover rate	(5,819)	7,246	(5,819)	7,246

25. 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.

26. Revaluation surplus

This represents surplus arising from revaluation of property. Movements of revaluation surplus account for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2023	2022
Balance - beginning of year	279,698	267,548
Add: Revaluations	15,128	15,188
Less: Income tax effect	(3,026)	(3,038)
Balance - end of year	<u>291,800</u>	<u>279,698</u>

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

27. Revenue from contracts with customers

27.1 Disaggregated revenue information

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Type of goods:				
Revenue from land and houses sales	358,877	120,500	-	-
Revenue from residential condominium units sales	1,281,178	2,251,211	19,888	125,973
Total revenue from contracts with customers	1,640,055	2,371,711	19,888	125,973

27.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, revenue totaling Baht 2,659 million (2022: Baht 1,990 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.

28. 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.

29. Finance cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Interest expenses on borrowings	114,973	26,936	66,439	24,339
Interest expenses on debentures	273,163	437,071	412,199	392,481
Interest expenses on lease liabilities	1,349	1,379	10	48
Front-end fee	37,512	38,925	36,365	33,829
Total	426,997	504,311	515,013	450,697

30. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Purchase of land and payment of construction during the year	3,404,134	1,202,774	-	-
Changes in real estate development cost	(2,296,687)	512,090	11,452	91,942
Salary, wages and other employee benefits	511,519	540,385	289	2,232
Depreciation and amortisation	100,358	107,550	5,317	5,761
Commission expenses	63,582	86,938	1,064	2,738
Advertising and promotion expenses	151,466	117,824	205	1,609
Specific business tax	59,341	87,900	1,033	6,282

31. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge	21,471	38,762	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(60,426)	(16,971)	4,828	4,177
Income tax expenses (income) reported in profit or loss	(38,955)	21,791	4,828	4,177

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2023	2022
Deferred tax on actuarial gain	-	2,071
Deferred tax on gain from revaluation of land	3,026	3,038
Total	3,026	5,109

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting loss before tax	(369,078)	(348,611)	(280)	(174,171)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(73,816)	(69,722)	(56)	(34,834)
Previously deductible temporary differences and unrecognised tax losses that is used to reduce current tax expense	-	(13,865)	-	(13,768)
Previously unrecognised deferred tax assets that is recognised during the year (unused tax losses)	(16,203)	-	-	-
Unrecognised deferred tax assets (unused tax losses)	63,392	110,361	42,171	61,025
Reversal of previously recognised deferred tax assets	1,180	11,646	-	-
Effects of:				
- Non-deductible income and expenses	6,667	13,081	(37,297)	(8,322)
- Share of profit from investments in joint ventures	(21,362)	(29,505)	-	-
- Others	1,187	(205)	10	76
Total	(13,508)	(16,629)	(37,287)	(8,246)
Income tax expenses (income) reported in profit or loss	(38,955)	21,791	4,828	4,177

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	
	2023	2022	2023	2022
Deferred tax assets				
Accrued expenses	4,106	6,782	211	747
Provision for long-term employee benefits	12,026	9,654	-	-
Unearned income	480	546	-	-
Unused tax losses	230,052	162,891	-	-
Loss on change in fair value of investment properties	-	1,299	-	-
Total	246,664	181,172	211	747
Deferred tax liabilities				
Cost to obtain contracts with customers	2,311	7,195	-	-
Gain on change in fair value of investment properties	215,439	200,420	148,543	144,250
Surplus on revaluation of land	87,996	89,848	-	-
Lease	1,730	1,922	-	-
Total	307,476	299,385	148,543	144,250

As at 31 December 2023, the Group has deductible temporary differences and unused tax losses totaling Baht 1,800 million (2022: Baht 1,592 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 2024 - 2028.

32. 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.

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 2023 and 2022, the Group has no major customer which revenue of 10% or more of an entity's revenues.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 December 2023 and 2022.

(Unit: Million Baht)

	For the years ended 31 December								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	1,791	2,540	267	177	140	104	-	-	2,198	2,821
Inter-segment revenue	89	16	-	-	34	30	(123)	(46)	-	-
Total revenue	1,880	2,556	267	177	174	134	(123)	(46)	2,198	2,821
Cost of sale and services	(1,252)	(1,827)	(181)	(136)	(48)	(41)	76	45	(1,405)	(1,959)
Gross profit	628	729	86	41	126	93	(47)	(1)	793	862
Gain from change in fair value of investment properties	12	27	-	-	8	107	-	-	20	134
Operating expenses	(927)	(1,016)	(69)	(71)	(17)	(19)	90	48	(923)	(1,058)
Segment operation profit (loss) before share of profit from investments in joint ventures	(287)	(260)	17	(30)	117	181	43	47	(110)	(62)
Share of profit from investments in joint ventures	107	148	-	-	-	-	-	-	107	148
Segment operating profit (loss)	(180)	(112)	17	(30)	117	181	43	47	(3)	86
Finance income	462	337	-	-	-	-	(419)	(294)	43	43
Finance cost	(698)	(657)	(48)	(41)	(98)	(102)	417	296	(427)	(504)
Dividend income	202	52	-	-	-	-	(202)	(52)	-	-
Other income	44	41	2	2	1	2	(29)	(19)	18	26
Income tax expenses (income)	47	15	-	(2)	(12)	(38)	4	3	39	(22)
Profit (loss) for the year	(123)	(324)	(29)	(71)	8	43	(186)	(19)	(330)	(371)
Depreciation and amortisation	(32)	(39)	(60)	(61)	(8)	(8)	-	-	(100)	(108)
Timing of revenue recognition										
Revenue recognised at point in time									1,791	2,540
Revenue recognised over time									407	281

(Unit: Million Baht)

	As at 31 December									
	Development of		Hotel business		Rental business		Elimination		Consolidated	
	properties for sales								financial statements	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Segment total assets										
Trade and other receivables	1,427	1,156	5	1	276	269	(1,585)	(1,281)	123	145
Real estate development cost	10,163	6,704	-	-	-	-	(44)	(27)	10,119	6,677
Investment properties	1,358	1,588	-	-	2,312	3,205	(685)	(666)	2,985	4,127
Property, plant and equipment	110	116	783	786	928	964	202	197	2,023	2,063
Investments in joint ventures accounted by the equity method	340	226	-	-	-	-	-	-	340	226
Others	13,630	13,564	50	48	26	27	(11,928)	(10,410)	1,778	3,229
Total	27,028	23,354	838	835	3,542	4,465	(14,040)	(12,187)	17,368	16,467

33. 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 2023, the subsidiaries recognised the contributions to the fund amounting to approximately Baht 15 million (2022: Baht 10 million) as expense.

34. Commitments and contingent liabilities

34.1 Capital commitments

a) As at 31 December 2023 and 2022, the Group had capital commitments as follows.

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	2023	2022
<u>Subsidiaries</u>		
Construction agreements related to projects development	1,779	1,401
Construction agreements related to office building for rental	16	16
Sell and purchase of land agreements	1,106	378
Sell and purchase of share agreement	-	1,015
<u>Joint ventures</u>		
Construction agreements related to project development	23	15

b) As at 31 December 2023, the Company had capital commitment amounting to Baht 191 million (2022: Nil) in respect of the uncalled portion of investments in the subsidiaries and a joint venture.

34.2 Bank guarantees

- (1) As at 31 December 2023, the Company has guaranteed bank credit facilities of related parties amounting to Baht 12,910 million (2022: Baht 11,420 million).
- (2) As at 31 December 2023 and 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	
	2023	2022	2023	2022
Bank guarantees for electricity use	2	3	-	1
Bank guarantees for public utility	249	64	-	-
Bank guarantees for payments due to creditors	7	-	-	-
Total	<u>258</u>	<u>67</u>	<u>-</u>	<u>1</u>

As at 31 December 2023, the Group placed deposits at banks of Baht 0.4 million (Separate financial statements: Baht 0.1 million) (2022: Baht 1.8 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.

34.3 Servitude

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

34.4 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.

34.5 Litigations

As at 31 December 2023, 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 23 cases (2022: 34 cases), claiming damages of Baht 145 million (2022: 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 69 million (2022: 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 case is being heard by the Court of Appeal. 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 (2022: 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 plaintiff with the Civil Court against the award of the Arbitral Tribunal. However, in December 2021, the joint venture filed a plaintiff 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 dismissed the customer's appeal and followed the instructions of the Arbitral Tribunal Committee. Currently, the aforementioned customer is in the process of filing an appeal. Therefore, the joint venture has not recorded an estimate of the related asset damage costs or estimated liabilities in the 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. In July 2023, the Court of First Instance dismissed the aforementioned lawsuit and ordered the third party to compensate the joint venture for damages amounting to Baht 175 million, including interest. Currently, the third party is in the process of filing an appeal. The Group's management and its legal consultant have determined the possible losses from the litigations and recorded provision amounting to Baht 47 million (2022: Baht 47 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 case is being heard by the Court of Appeal. The Group's management and its legal consultant have determined the possible losses from the litigations and recorded provision amounting to Baht 52 million (2022: Baht 51 million) in its accounts.

35. Fair value hierarchy

As at 31 December 2023 and 2022, 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 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Land (under property, plant and equipment account)	-	820	-	820
Investment properties	-	683	2,302	2,985
Financial liability measured at fair value				
Debentures	-	5,494	-	5,494

(Unit: Million Baht)

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

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	854	-	854
Financial liability measured at fair value				
Debentures	-	5,494	-	5,494

(Unit: Million Baht)

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

36. Financial instruments

36.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, loans to related parties, short-term and long-term loans, 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 subsection.

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, loans from third parties 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 2023 and 2022, 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						
2023						
Fixed interest rates		Floating	Non-	Total	Interest rate	(% p.a.)
within 1 year	over 1 year to 5 years	interest rate	interest bearing			
Cash and cash equivalents	-	-	323	39	362	0.15 - 0.60
Trade and other receivables	-	-	-	123	123	-
Restricted bank deposits	-	-	14	-	14	0.15 - 0.50
Loans to related parties	-	-	521	-	521	MLR
	-	-	858	162	1,020	

(Unit: Million Baht)

Consolidated financial statements

	2023					
	Fixed interest rates		Floating	Non-	Total	Interest rate
	within	over 1 year	interest	interest		
	1 year	to 5 years	rate	bearing	(% p.a.)	
Financial liabilities						
Bank overdraft from financial institutions	-	-	1	-	1	MOR
Short-term loans	172	-	-	-	172	6.75
Trade and other payables	-	-	-	370	370	-
Debentures	1,818	3,666	-	-	5,484	6.80 - 7.10
Long-term loans from third parties	43	90	-	-	133	6.20 and 8.00
Long-term loans from financial institutions	-	-	5,477	-	5,477	MLR
	<u>2,033</u>	<u>3,756</u>	<u>5,478</u>	<u>370</u>	<u>11,637</u>	

(Unit: Million Baht)

Consolidated 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.)	
Financial assets						
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
	<u>-</u>	<u>-</u>	<u>1,637</u>	<u>202</u>	<u>1,839</u>	
Financial liabilities						
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 loans from third parties	-	40	-	-	40	6.20
Long-term loans from financial institutions	-	-	4,131	-	4,131	MLR
	<u>2,963</u>	<u>3,002</u>	<u>4,131</u>	<u>407</u>	<u>10,503</u>	

(Unit: Million Baht)

Separate financial statements						
2023						
Fixed interest rates		Floating	Non-	Total	Interest rate	(% p.a.)
within	over 1 year	interest	interest			
1 year	to 5 years	rate	bearing			
Financial assets						
Cash and cash equivalents	-	-	76	15	91	0.15 - 0.60
Trade and other receivables	-	-	-	785	785	-
Loans from related parties	3,448	299	541	-	4,288	6.80 - 7.50 and MLR
	<u>3,448</u>	<u>299</u>	<u>617</u>	<u>800</u>	<u>5,164</u>	
Financial liabilities						
Trade and other payables	-	-	-	468	468	-
Debentures	1,818	3,666	-	-	5,484	6.80 - 7.10
Loans from related parties	980	-	-	-	980	2.00 - 7.00
Long-term loans from third parties	43	90	-	-	133	6.20 and 8.00
	<u>2,841</u>	<u>3,756</u>	<u>-</u>	<u>468</u>	<u>7,065</u>	

(Unit: Million Baht)

Separate financial statements						
2022						
Fixed interest rates		Floating	Non-	Total	Interest rate	(% p.a.)
within	over 1 year	interest	interest			
1 year	to 5 years	rate	bearing			
Financial assets						
Cash and cash equivalents	-	-	293	24	317	0.10 - 0.40
Trade and other receivables	-	-	-	638	638	-
Loans to related parties	3,708	-	712	-	4,420	6.80 - 7.50 and MLR
Restricted bank deposits	-	-	1	-	1	0.10 - 0.38
	<u>3,708</u>	<u>-</u>	<u>1,006</u>	<u>662</u>	<u>5,376</u>	
Financial liabilities						
Long-term loans from third parties	-	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>	

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 2023 and 2022.

2023		2022	
Increase/decrease	Effect on profit before tax	Increase/decrease	Effect on profit before tax
(%)	(Thousand Baht)	(%)	(Thousand Baht)
+0.1	(5,477)	+0.1	(4,145)
-0.1	5,477	-0.1	4,145

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 2023 and 2022, 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 overdraft, short-term and long-term loans, debentures, bank loans and lease contracts. The Group's policy is to maintain debt-to-equity ratio not exceed 2.5:1. Approximately 30% of the Group's debt will mature in less than one year at 31 December 2023 (2022: 40%) (the Company only: 47%, 2022: 56%) 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 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Million Baht)

Consolidated financial statements				
31 December 2023				
	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans	172	-	-	172
Interest on short-term loans	5	-	-	5
Trade and other payables	370	-	-	370
Long-term loans from third parties	43	90	-	133
Interest on long-term loans from third parties	-	21	-	21
Debentures	1,818	3,666	-	5,484
Interest on debentures	322	205	-	527
Lease liabilities	4	15	5	24
Long-term loans	814	3,385	1,278	5,477
Interest on long-term loans	141	769	354	1,264
Total non-derivatives	3,689	8,151	1,637	13,477

(Unit: Million Baht)

Consolidated financial statements				
31 December 2022				
	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans	150	-	-	150
Interest on short-term loans	6	-	-	6
Long-term loans from third parties	-	44	-	44
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
Total non-derivatives	4,554	7,387	224	12,165

(Unit: Million Baht)

	Separate financial statements			
	31 December 2023			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Long-term loans from third parties	-	43	-	43
Trade and other payables	-	468	-	468
Short-term loans from related parties	980	-	-	980
Interest on short-term loans from related parties	63	-	-	63
Debentures	-	1,818	3,666	5,484
Interest on debentures	-	322	205	527
Long-term loans from third parties	-	-	90	90
Interest on long-term loans from third parties	-	-	21	21
Total non-derivatives	1,043	2,651	3,982	7,676

(Unit: Million Baht)

	Separate financial statements			
	31 December 2022			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Long-term loans from third parties	-	-	44	44
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
Total non-derivatives	926	3,397	3,178	7,505

36.2 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			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liability				
Debentures	5,484	5,494	5,775	5,821

(Unit: Million Baht)

	Separate financial statements			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liability				
Debentures	5,484	5,494	5,626	5,671

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.

37. 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 21 and 22. As at 31 December 2023, the Group's debt-to-equity ratio was 2.43:1 (2022: 2.04:1) and the Company's was 1.32:1 (2022: 1.33:1).

38. Events after the reporting period

- 38.1 The Company invested in Major SPV Two Co., Ltd., which is a newly registered company with the Ministry of Commerce on 5 January 2024. 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.
- 38.2 On 20 February 2024, the Extraordinary General Meeting of MM Residences One Company Limited (“subsidiary”) passed a resolution to increase the registered share capital from Baht 1 million to Baht 73 million, by issuing 720,000 additional ordinary shares with a par value of Baht 100 each. The Company invested and paid for the aforementioned common shares, and the subsidiary registered the increase with the Ministry of Commerce on 22 February 2024.

39. Approval of financial statements

The financial statements were authorised for issue by the Company's Board of Directors on 27 February 2024.