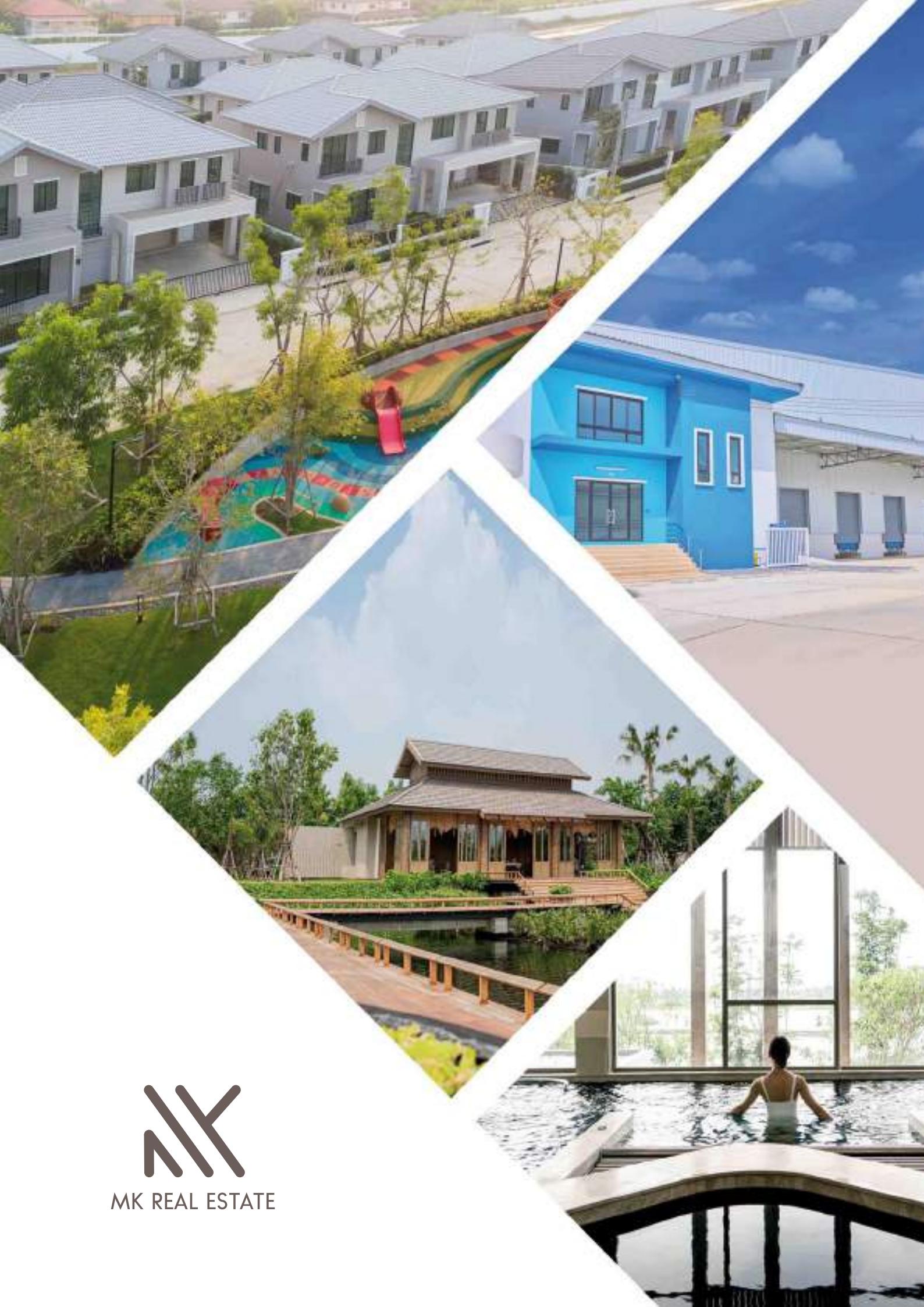




Annual Report 2022
56-1 One Report

M.K. Real Estate Development Public Company Limited



MK REAL ESTATE



Message from the Chairman

In 2022, conducting the Company's business in the face of domestic and international economic changes marred by rising inflation and household debt was nothing short of a challenge.

Although the economy was slowly recovering in many ways, and COVID-19 eased and became an endemic disease, the majority of consumers continued to hold off on long-term investments to alleviate their financial burdens. These factors directly impacted the Company's business operations and revenues.

The Company constantly adapts to cope with any situation, seeking to diversify risk and minimize the impact on business. In the past year, we implemented a revenue restructuring plan and a proactive business plan for the rent and service segment. These efforts aimed to increase a profit share from a business with recurring revenue - considering global economic trends and Thailand's strengths - by creating opportunities for generating revenues for the Company under various circumstances.

To this end, we expanded the industrial real estate segment for rent and services, including warehouses for sale and rent, in line with the expansion of production and export sectors. The growth of e-commerce transactions and logistics - as well as other government sector factors - continue to support the demand for warehouse rental for use as goods collection and distribution centers.

Moreover, the global healthcare business continues to experience growth as individuals continue to become more health-conscious following the COVID-19 outbreak. With the easing of lockdown measures and the subsequent reopening of borders and restarting of the tourism industry in the past year, the Company has prepared to launch a holistic health center in Sam Pran District, Nakohn Pathom, in the first quarter of 2023.

On behalf of the Board of Directors and management, I would like to extend my thanks to all shareholders, investors, financial institutions, business partners, and stakeholders for their continued confidence in and support for M.K. Real Estate Development Public Company Limited's operations.

I would also like to express my gratitude to our management team and each of our employees for their dedication and perseverance. By working together, we have weathered the ups and downs of the most challenging times the Company faced. Rest assured that the Company will remain committed to doing business with respect to good governance practices to ensure that our organization maintains a strong foundation while generating revenues and achieving sustainable growth.

Mr. Suthep Wongvorazatthe
Chairman



Message from the Chief Executive Officer

In 2022, another major step of M.K. Real Estate Development Public Company Limited as a leading developer of real estate for sale, rent and services. The Company forged ahead with a great transformation, gaining a foothold in a comprehensive medical and wellness services and expanding its investment in factories and warehouses for rent, with an aim to create recurring income stability and expand businesses in the MK and its subsidiaries for sustainable growth.

As a residential property developer, the Company continues to develop housing segment. However, to enhance robustness for the MK and its subsidiaries, the Company foresees a potential for growth and Thailand's strengths in industrial property and wellness industries, therefore the Company has expanded two of the MK's businesses, one is medical and wellness center for which the Company plans to offer full, comprehensive holistic services to the needs of various customers, another is the factories and warehouse for rent under the "Bangkok Free Trade Zone (BFTZ)".

In terms of factories and warehouses for rent of the BFTZ which has been developed by Prospect Development Company Limited, went ahead with enlarging the areas strategies for the expansion of the business. At present, there are over 400,000 square meters of areas for construction that have been completed, on locations with high potential and logistic importance. According to its major transformation plan, the Company aims to increase the developed areas to 1,000,000 square meters within the next three years, on which it will build large factories and warehouses to accommodate the demands of investors, with a business strategy that focuses on the purple zoning, designated as industrial and warehouse zone, free trade zones and Bang Na-Trad area which are strategic location for logistics. In addition, in August 2020, a real estate investment trust (Prospect REIT) was established, with total assets currently totaling around 3,600 million baht. The goal is for the trust to grow to 10,000 million baht in the next three years. This is another business with long-term growth that can generate recurring income.

For medical and wellness center which is under operated by RX Wellness Company Limited, with the concept of comprehensive medical and health services, from enhancement, prevention, cure, to restoration. In 2020, the Company launched RAKxa Wellness Bangkrachao which has achieved success in enhancement and prevention. "RAKxa" is a fully integrative wellness and medical retreat that focuses on specific enhancement and prevention. It has received warm welcome and service recipients, both Thais and foreigners. We aim to expand RAKxa further to become a world-class medical and wellness destination and in 2022, the Company launched RXV Wellness Village Sampran, Nakhon Prathom, which focuses predominantly on enhancement and prevention under the concept of "everyone's wellness": Being healthy is natural and something everyone can achieve. In addition, we have plans to launch Medical Village at Bangkrachao, which will be in the same area as RAKxa Wellness Bangkrachao, but will focus on physical cure and restoration, under the new concept of individual healthcare with a mixture of Western and Eastern medicine as well as holistic medicine in a natural setting. This new project will elevate the healthcare service and meet the health demands and goals of service recipients comprehensively.

On behalf of the Board of Directors, I want to thank the management team and all the employees for their dedication and hard work to the best of their abilities, which has helped us overcome all the challenges and enabled us to become stronger and grow sustainably. This year, 2023, will be another year of success for us, to bring sustainable growth to the Company.



Mr. Vorasit Pokachaiyapat
Chief Executive Officer



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Attachment

- Attachment 1 Details of directors, executives, the person taking the highest responsibility in finance and accounting, the person supervising accounting and secretary
- Attachment 2 Details of the Directors of the subsidiary
- Attachment 3 Details about head of internal audit of the Company
- Attachment 4 Assets used in business operation and details of asset appraisal
- Attachment 5 Full version of Corporate Governance Policy and Guidelines and Code of Conduct prepared by the Company. (disclosed on Company's website)
- Attachment 6 Audit Committee's report

Part 1

Business operation and operating result

1. Structure and Business operation

1.1 Policies and overview of business operations

1.1.1 Vision, objectives, targets, or business strategy

Over the years with a commitment to operating the business for sustainable growth extending the strong foundation of business operation under the concept "We Build a Place of Family Togetherness," which was subsequently expanded to the concept of "well-being," meaning good physical and mental health as well as good environment and society, factors that contribute to our well-being and enable us to achieve long-term happiness. We foster this concept within the Company, treating employees as if they were family members. To this end, the Company supports career growth, nurtures good working conditions and a warm, friendly environment and promotes mentality and physical health through a variety of activities, to pass on this concept of well-being to consumers through our continual development of its products in terms of functions, design, and construction method. This is manifested in things such as the design of our homes, we pay attention to well-being in all stages, starting from the design, project planning, taking into consideration wind directions in our design, to achieve energy efficiency and ensure proper airflow with the help of natural winds. We make sure to include open-plan areas in our design for greater comfort of the residents. We add a multi-purpose room on the first floor that can be converted into a bedroom for an elderly. We select materials that enhance energy efficiency, such as tinted glass on windows that can block heat and keep the house cool, clerestories and solar panels. Moreover, we provide facilities and common areas that include a green space where all residents regardless of sex or age can do a wide range of things together. These include a gym, a swimming pool, a garden, an education playground, outdoor work out equipment and stone walkways. The design of new houses to respond to the functional needs of people from all age groups, and incorporates the use of modern technology. One of the products from a combination of these is playgrounds that promote learning, known as education play grounds. Well-being is taken into account. In addition, the Company uses eco-friendly and energy-efficient materials, green glass for light refraction, LED bulbs, and air flow innovation for keeping house temperatures down, and provides residents with peace of mind with its security system. It also takes into account the needs of surrounding communities. All in all, the Company strives to create good quality of life and a sense of relaxation, making the property suitable for long-term living and enhancing the brand's competitiveness as it remains committed to maintaining "value for money" at all product levels.

The Company remains committed to developing horizontal property for sale, targeting customers looking to buy a home to live in and first-time home buyers, under the "Chuanchuen" brand, which has been recognized for providing quality houses with practical functions at affordable prices. Our strengths are further complemented by the concept of comprehensive well-being, as we continue to

focus on areas of potential growth located close to mass transit systems and areas with existing client bases, such as Watcharaphon, Bang Na, Nonthaburi, and Pathumthani.

In addition, the Company aims to increase income percentage from the development of property for sale and the development of property for rent and related services so that both segments are roughly equal in a short period of time. This can be achieved by increasing recurring income from its manufacturing plants and warehouses for rent. The Company is ready to add new business segments, focusing on health and accommodation for well-being. For example, Wellness and Medical Retreat Center, a collaboration with a company with a national reputation for physical rehabilitation and medical retreat.

Vision

Strives to be one of Thailand's leading residential property development companies, and offer quality products and services at reasonable prices.

Mission

- 1) **Financial mission:** Build financial stability and generate greatest benefits for shareholders, through sustained sales growth and efficient cost management
- 2) **Marketing mission:** Deliver quality products in terms of location, construction standards, and environment- at reasonable prices, provide excellent customer service, and constantly make the "ChuanChuen" brand known to the public as a leading residential property development company
- 3) **Production and service mission:** Deliver quality products and excellent services on time and with efficiency, and continue to improve product quality
- 4) **Management mission:** Enhance competitiveness, always make an all-out effort to achieve the goals set for all operations, and promote good governance
- 5) **Personnel mission:** Instill a sense of responsibility in maintaining quality and providing service, and create a culture of continuous learning and development in a friendly working environment

In addition to being a leading developer of residential property in Thailand that seeks to offer value for-money products and services to its clients, the Company added a vision on sustainable well-being by setting an additional business goal in terms of marketing, to present products for sustainable well-being, under the conceptual framework of well-being, and foster an awareness in this concept among its personnel.

In 2022, the profit proportion of the real estate development for sale residential and property development for rent and service is approximately 56 and 44 percent, respectively, which is in line with the operational strategy under Sustainability Development Roadmap with 50 and 50 percent of profits from sales and leasing and services, respectively.

1.1.2 Major changes and developments

Company background

M.K. Real Estate Development Public Company Limited (“the Company”) is engaged in the development of residential property for sale and for rent. It has been in business for over 60 consecutive years.

The Company was established in 1956 with registered capital of 8 million baht, under the name “Munkongsathapat General Partnership”. Initially, the Company’s business objective was to obtain construction contracts to build various types of buildings. Five years later, its business expanded to buildings and land, in addition to construction. In 1968, ChorMunkong Trading Limited Partnership was separately established, to engage in the retail and wholesale of construction materials. Then, in 1977, the Company developed its first housing estate under the name “ChuanChuen Community” on PrachaChuen Road. This business grew gradually as its products were warmly welcomed by the public, and consequently the Company became fully engaged in real estate development in 1981. Subsequently, the Company became the first real estate developer to be listed in the Thailand Stock Exchange in 1990. It registered a change of company type to public limited company in 1993, and in 1994 the Company began to operate property for rent and related services, by developing ChuanChuen Golf Club. In 2005, it launched new single-detached houses under the ChuanChuen and Serene House brands. Up until now, it has developed more than 70 housing estates for sale throughout the Bangkok Metropolitan Region.

Major developments of the Company in the past three years

2020

- On 13 February 2020 and 3 December 2020, Prospect Development Company Limited (subsidiary company) issued the unsecured long-term debenture no. 1/2020 and no. 2/2020 for 157 million baht and 165 million baht respectively.

This debenture issuance and offering is accordance with the resolution of the board of directors of the subsidiary company on 24 January 2020.

- On 13 March 2020, 26 June 2020, 28 October 2020, and 9 December 2020, the Company issued unsecured short-term debentures no. 1/2020, no. 2/2020, no. 3/2020, and no. 4/2020 in an amount of 300 million baht, 200 million baht, 250 million baht, and 400 million baht, respectively.

These issuance and offering of debentures are in accordance with the resolution of the 2017 annual general meeting of shareholders held on 25 April 2017 and the resolution of the 2019 annual general meeting of shareholders of the Company on 25 April 2019

- On 24 March 2020, the meeting of board of directors of Health and Wellness Village Company Limited (subsidiary company) passed a resolution to call for additional payment of 75% of new ordinary share value. The Company paid for such shares of 6.75 million baht.

- On 29 April 2020, the 2020 Annual general meeting of shareholders resolved to disapprove dividend payment for the Company's 2019 operating.

Subsequently, on 29 September 2020, the Board of Directors Meeting of the Company No. 9/2020 has passed a resolution to approve the payment of interim dividend for the Company's operation 2019 based on the retained earnings shown in the Company statement of income for the year ended 31 December 2019 to the shareholders of the Company amounting to 1,091,205,066 shares at a rate of 0.11 Baht per share, totaling 120,032,557.26 Baht.

The Board of Directors' approval of the interim dividend payment is in accordance with the resolution of 2020 Annual General Meeting of Shareholders indicating that when the Company had positive cash flow, the Board of Directors would approve the payment of interim dividend to the Shareholders.

- On 14 May 2020, the extraordinary shareholders meeting of Health and Wellness Village Company Limited (subsidiary company) has resolution to increased its registered capital from 10 million baht to 50 million baht registered capital by issuing 400,000 new ordinary shares at par value of 100 baht. The subsidiary has registered with Department of Business Development, Ministry of Comerce, on 14 May 2020 and The Company has paid for shares in the amount of 40 million baht.
- On 9 July 2020, the board of directors passed a resolution to change the percentage of investment in Prospect Logistics and Industrial Leasehold Real Estate Investment Trust ("Trust") from the original investment in the proportion of not less than 15% but not more than 20% to the amount of not less than 5% but not more than 20% of the number of trust units issued and offered for initial offering, not more than 500 million baht. Subsequently, the Company invested in the trust for totaling 21,847,100 units, totaling amount of 218.12 million baht or equivaent to 8.92% of the number of trust units issued and offered. The Trust is classified as associated company of the Company because the Company has significant influence as Prospect Reit Management Company Limited (Indirect subsidiary company) has been appointed as REIT manager.
- In July and November 2020, Fraser Property BFTZ Comnpy Limited (joint venture), its shares hold by Prospect Development Company Limited (subsidiary), called for an additional payment of 23.80 million baht and 30.15 million baht respectively.
- On 28 August 2020, the Company issued 2 series of unsecured long-term debenture no. 1/2020: Series 1 for 230.3 million baht and Series 2 for 451.5 million baht.

The issuance and offering of debentures is in accordance with the resolution of the 2017 annual general meeting of shareholders held on 25 April 2017 and the resolution of the annual general meeting of shareholders of the Company for the year 2019 on 25 April 2019.

- On 16 October 2020, the extraordinary shareholders meeting of Health and Wellness Village Company Limited (subsidiary company) has the resolution to increased its registered capital from 50 million baht to 200 million baht by issuing 1,500,000 new ordinary shares at par value of 100 baht per share and

call for 25% of new ordinary shares. The subsidiary has registered increased capital with Department of Business Development, Ministry of Commerce, on 19 October 2020 and the Company paid for shares in the amount of 37.50 million baht.

Subsequently, on 1 February 2021, the Board of Directors meeting of Health and Wellness Village Company Limited passed the resolution to call up 33.50% of new ordinary shares. The Company paid for shares in the amount of 50.25 million baht.

2021

- On 1 February 2021, the Board of Directors' meeting of Health and Wellness Village Co., Ltd., (a subsidiary) approved for additional call-up for 33.50% of its par value of the ordinary share capital. The Company has paid for the share amounting to Baht 50.25 million.
- On 1 April 2021, Prospect Development Co., Ltd., a subsidiary, established an entity named "BFTZ Bangpakong Co., Ltd." whose business types are developing warehouse and factory for rent including infrastructure, facilities, and other related business, with registered capital amount at Baht 500,000,000, divided into 5,000,000 ordinary shares with a par value of 100 Baht each. The subsidiary has fully paid the share capital for a consideration of Baht 250 million. The subsidiary has ownership interest in the entity at 50% of issued and paid-up share capital.
- On 5 April 2021, BFTZ Bangpakong Co., Ltd. (a joint venture) established an entity named "Bangpakong Industrial Land Co., Ltd." whose business type is developing land for sale and "Banpakong Terminal and Service Co., Ltd." whose business type is developing infrastructure and facilities (subsidiaries of a joint venture). Each entity has registered capital amount at Baht 5,000,000, divided into 50,000 ordinary shares with a par value of 100 Baht each.

BFTZ Bangpakong Co., Ltd. has fully paid the share capital of both entities for a consideration totaling Baht 10 million. BFTZ Bangpakong Co., Ltd. has ownership interest in both entities at 100% of issued and paid-up share capital.

- In April 2021, Frasers Property BFTZ Co., Ltd., a joint venture of Prospect Development Co., Ltd., a subsidiary, called for additional paid-up of shares according to the shareholding interest amounting to Baht 8.40 million.
- On 7 May 2021, Prospect Development Co., Ltd., a subsidiary, established an entity named "BFTZ Wang Noi Co., Ltd." (a joint venture) whose business types are developing warehouse and factory for lease, with registered capital amount at Baht 5,000,000, divided into 50,000 ordinary shares with a par value of 100 Baht each. The subsidiary has fully paid the share capital for a consideration of Baht 2.5 million. The subsidiary has ownership interest in the entity at 50% of issued and paid-up share capital.

- On 10 June 2021 and 9 September 2021, the Company received return of capital from Prospect Logistics and Industrial Leasehold Real Estate Investment Trust of Baht 0.2808 per unit and Baht 0.0520 per unit, respectively, amounting to Baht 6.13 million and 1.14 million, respectively.
- On 15 August 2021, MKH assets Co., Ltd., a subsidiary entered into a land and construction lease agreement with a non-related party ("a lessor") to operate hotel and health center, Subsequently, on 28 October 2021, the subsidiary entered into an amendment of land and construction lease agreement with the lessor. The lease agreement has the period of 21 years from 1 November 2021 to 31 October 2042, and the subsidiary agreed to pay compensation as specified in the agreement. The Company made a guarantee deposit of Bath 30 million at the registered date of land and construction lease.

At the maturity date of lease agreement, the lessor promises to give an option to the lessee to extend the lease for period of 21 years from 1 November 2042 to 31 October 2063.

- On 15 October 2021, the Board of Directors' meeting of the Company approved Prospect Development Co., Ltd., a subsidiary, to purchase share capital of Free Zone Asset Company Limited amounting to 1,825,000 ordinary shares with a par value of Baht 100 per share, totaling Baht 182.50 million at a price of Baht 100 million from AQ Estate Public Company Limited of 1,824,998 ordinary shares and from other shareholders of 2 ordinary shares. The sellers are non-related parties.

In additional, Free Zone Asset Company Limited operates real estate for rent and services, and has authorized share capital amounting to Baht 182.50 million of 1,825,000 ordinary shares with a par value of Baht 100 per share. The subsidiary entered into share purchase agreement and obtained the shares on 29 October 2021.

- On 16 November 2021, the Company purchased 100% of its issued and paid-up capital in Munkong Living Co., Ltd. from Prospect Development Co., Ltd., a subsidiary of the Company in the amount of Baht 1,060 million. As a result, Munkong Living Co., Ltd. become the Company's a direct subsidiary. However, the consolidated financial statements had not been affected.
- On 14 December 2021, the Company established an entity named "S71 Property Co., Ltd." whose business types a real estate for sale developer, with registered capital amount at Baht 650,000,000, divided into 6,500,000 ordinary shares with a par value of 100 Baht each. The Company paid 100% of share capital.
- On 23 December 2021, the Company sold all shares in Munkong Living Co., Ltd. a subsidiary, of 10,020,048 shares which comprised 10,019,998 ordinary shares and 50 preferred shares with a par value of Baht 100 per share to non-related party in totaling of Baht 1,112 million.

2022

- On 14 March 2022, the Board of Directors' meeting of the Company approved the Company and/or subsidiary to receive financial assistance not exceeding Baht 500 million from FNS Holdings Public Company Limited (Formerly Finansa Public Company Limited), which is a major shareholder of the Company, for working capital, repayment of the loan and expanding the Company operation.
- On 16 March 2022, the Board of Directors' meeting of the Company approved Rx Wellness Co., Ltd., a subsidiary, to establish an entity named "Rx Wellness Blocker US, Inc." whose business types were investment in wellness business and / or operation in wellness business and had invested in 100% ownership interest in total share capital.
- On 18 March 2022, Rx Wellness Blocker US, Inc., (Indirect subsidiary of the Company in USA), which is a subsidiary of Rx Wellness Co., Ltd., (a 100 percent direct subsidiary of the Company) holding 100 percent, has invested in 80 percent of total shares of RAKxa Wellness US, LLC and ER Wellness, LLC, which has no relationship as connected person with the Company, has invested in 20 percent of total shares of RAKxa Wellness US, LLC. RAKxa Wellness US, LLC holds 100 percent of total shares of RC Ownership, LLC.
RC Ownership, LLC has already acquired and received the transfer of a property in Colorado, USA for operating resort and wellness business.
- On 25 March 2022, the Annual General Meeting of the shareholders of Prospect REIT Management Co., Ltd., an indirect subsidiary (Prospect REIT) approved to increase the registered capital from the existing registered capital Baht 10 million to be the registered capital of Baht 16 million, by issuing the ordinary shares of 60,000 shares, par value at Baht 100 per share. Prospect REIT has registered the capital increase at the Department of Business Development, Ministry of Commerce on 25 April 2022. Prospect REIT has fully received the share capital for a consideration of Baht 6 million.
- On 4 April 2022, Rx Wellness Co., Ltd., (the "subsidiary") established a new joint venture company in an entity named "Rakxa Venture Co., Ltd." (Formerly Health and Wellness Ventures Co., Ltd.) whose business types were health care and wellness clinic and rehabilitation center. The registered Capital was Baht 1,000,000, divided into 100,000 ordinary shares at a par value of Baht 100. The subsidiary has fully paid the share capital for a consideration of Baht 500,000 and had ownership interest in the entity 50% of issued and paid-up share capital.
- On 26 April 2022, the 2022 Annual General Meeting of the shareholders of the Company approved to increase total amount and an outstanding value for issuance and offering of debenture at a particular time from not exceeding Baht 6,000 million to be not exceeding Baht 8,000 million. Preliminary details of debentures that the Company wished to issue and offer were as the board of directors propose.
- On 15 August 2022, the Board of Directors' meeting of Prospect Development Co., Ltd., (the "subsidiary") approved to issuance and offering of debenture at a particular time for total amount

and an outstanding value from not exceeding Baht 2,000 million. Preliminary details of debentures that the Company wished to issue and offer were as the board of directors propose.

- On 15 August 2022, the Extraordinary General Meeting of Shareholders of Munkong Life Co., Ltd., (the "subsidiary") approved to increase the registered capital from the existing registered capital Baht 2,600 million to be the registered capital of Baht 2,970 million, by issuing the ordinary shares of 3,700,000 shares, par value at Baht 100 per share. The subsidiary has already registered the capital increase at the Department of Business Development, Ministry of Commerce. The Company already paid the share capital totaling Baht 370 million or 100% of the increased share capital.
- On 26 July 2022, the Board of Directors' meeting of MKH Assets Co., Ltd., (the "subsidiary") approved to call-up 65% of its par value of the share capital. The Company paid the share subscription amount to Baht 65 million.

The Extraordinary General Meeting of Shareholders of the subsidiary held on 15 August 2022, approved to increase the registered capital from the existing registered capital Baht 100 million to be the registered capital of Baht 150 million, by issuing the ordinary shares of 500,000 shares, par value at Baht 100 per share. The subsidiary has already registered the capital increase at the Department of Business Development, Ministry of Commerce. The Company already paid the share capital totaling Baht 50 million or 100% of the increased share capital.

- On 26 July 2022, the Board of Directors' meeting of Health and Wellness Village Co., Ltd., (the "subsidiary") approved to call-up 41.5% of its par value of the share capital. The Company paid the share subscription amount to Baht 62.25 million.

The Extraordinary General Meeting of Shareholders of the subsidiary held on 15 August 2022, approved to increase the registered capital from the existing registered capital Baht 200 million to be the registered capital of Baht 330 million, by issuing the ordinary shares of 1,300,000 shares, par value at Baht 100 per share. The subsidiary has registered the capital increase at the Department of Business Development, Ministry of Commerce on 23 August 2022. The Company already paid the share capital totaling Baht 130 million or 100% of the increased share capital.

- On 17 November 2022, the Extraordinary General Meeting of Shareholders of MKH Assets Co., Ltd. (the "subsidiary") approved to decrease the registered capital from the registered capital of Baht 150 million to 138.5 million by reducing the ordinary share of 115,000 shares with par value of Baht 100. The subsidiary has registered the capital decrease at the Department of Business Development, Ministry of Commerce on 20 December 2022.
- On 17 November 2022, the Extraordinary General Meeting of Shareholders of Health and Wellness Village Co., Ltd. (the "subsidiary") approved to decrease the registered capital from the registered capital of Baht 330 million to 283 million by reducing the ordinary share of 468,000 shares with par value of Baht 100. The subsidiary has registered the capital decrease at the Department of Business Development, Ministry of Commerce on 20 December 2022.

- On 1 December 2022, the Extraordinary General Meeting of Shareholders of Yours Property Management Co., Ltd. (the "subsidiary") approved to decrease the registered capital from the registered capital of Baht 5 million to 3 million by reducing the ordinary share of 20,000 shares with par value of Baht 100. The subsidiary has registered the capital decrease at the Department of Business Development, Ministry of Commerce on 6 January 2023.
- On 15 December 2022, the Company sold Flora Ville Golf and Country Club to non-related party in totaling of Baht 1,400 million.
- On 22 December 2022, the Extraordinary General Meeting of Shareholders of RX Wellness Co., Ltd., (the "subsidiary") approved to increase the registered capital from the existing registered capital Baht 100 million to be the registered capital of Baht 4,600 million, by issuing the ordinary shares which must be fully paid in money of 11,083,006 shares and the ordinary shares of the ordinary shares as fully paid up of 33,916,994 shares , totaling 45,000,000 shares, par value at Baht 100 per share. The subsidiary has registered the capital increase at the Department of Business Development, Ministry of Commerce on 23 December 2022.

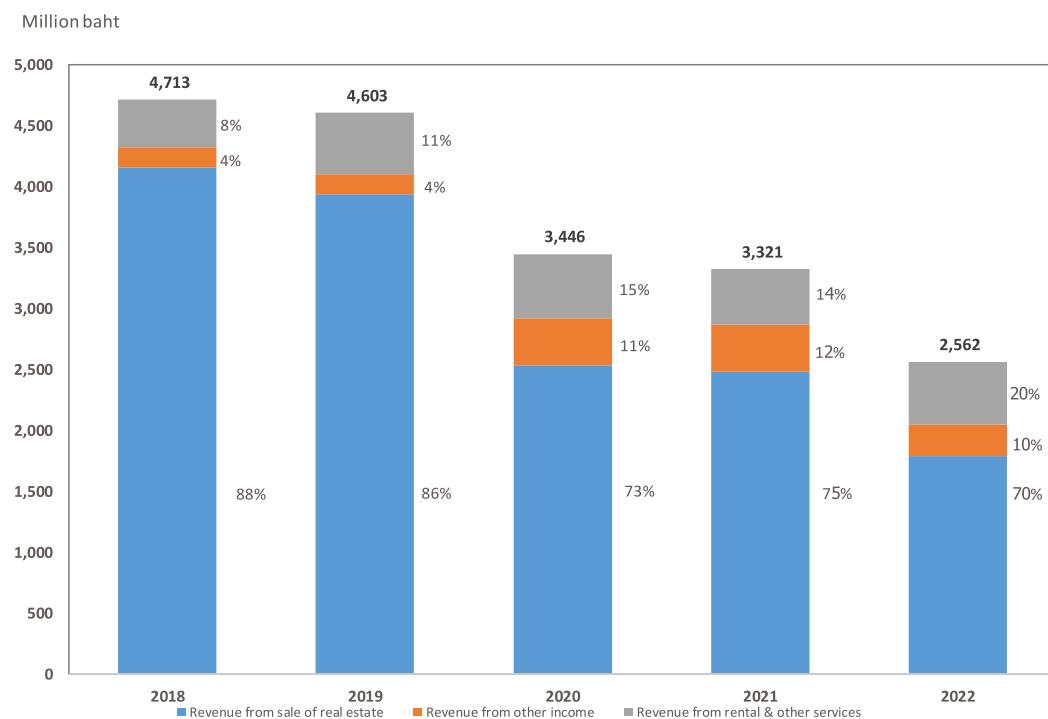
However, the subsidiary has received fully paid up in money of 11,083,006 shares amounting to Baht 1,108.30 million and received fully paid up of 33,916,994 shares by transferred shares of 3 subsidiaries of the Company which are (1) MKH Assets Co., Ltd., amounting to 1,384,998 ordinary shares at a par value of 100 Baht (2) Health and Wellness Village Co.,Ltd. Amounting to 2,831,998 ordinary shares at a par value of 100 Baht and (3) Munkong Life Co., Ltd., amounting to 29,699,998 ordinary shares at a par value of 100 Baht. As a result, the 3 subsidiaries have become indirect subsidiaries of the Company.

- On 23 December 2022, the Extraordinary General Meeting of Shareholders of Munkong Life Co., Ltd., (Indirect subsidiary company, a subsidiary company of RX Wellness Co., Ltd.) approved to increase the registered capital from the existing registered capital Baht 2,970 million to be the registered capital of Baht 4,020 million, by issuing the ordinary shares of 10,500,000 shares, par value at Baht 100 per share. Munkong Life Co.,Ltd. has registered the capital increase at the Department of Business Development, Ministry of Commerce on 26 December 2022 and has fully received the share capital for a totaling of Baht 1,050 million.

As of 31 December 2022, the Company has registered capital 1,117,211,195 baht which divided into ordinary shares of 1,117,211,195 shares at par value of 1.00 baht per share, Paid-up capital of 1,091,205,066.00 baht. The Company operate property development business which consist of:

- (1) Property development for sale business, which is the main business of the Company with focus on development projects for residential real estate for sale, and
- (2) Property development for rent and service business

The operating results are summarized in 2022 as follows:



1.1.3 Fund raising and fund using progress

The Company and its subsidiaries have used all raising funds in accordance with objectives.

1.1.4 Obligation to securities offering

-None-

1.1.5 General information about the Company

Company name	:	M.K. Real Estate Development Public company Limited
Symbol	:	MK
Company registration number	:	0107536001567
Type of business	:	Develop property for sale and rent, and provide related services
Headquarters Location	:	6 th - 8 th Floor, 345 Surawong Building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500
Tel	:	02-234-8888
Fax	:	02-234-8880
Website	:	www.mk.co.th
Number of shares issued	:	1,091,205,066 ordinary shares, at par value of one baht per share

1.2 Nature of business

1.2.1 Revenue structure

The Company is engaged in property development, which consists of (1) property development for sale, which is the Company's main business, the principal source of income from this business is sale of residential property, and (2) property development for rent and related services.

Revenue structure

Unit : Thousand baht	Operated by	Shareholding proportion (Percent)	2020		2021		2022	
			Amount	Percent	Amount	Percent	Amount	Percent
Revenue from sale of real estate	MK, MC, MKL	100	2,530,402.59	73.42	2,481,141.52	74.70	1,790,543.46	69.88
Revenue from rental and rendering of services	MKL, PD	100	374,266.64	10.86	341,332.68	10.28	340,105.31	13.27
Revenue from management of real estate	PD, Yours	100	48,373.66	1.40	91,041.93	2.74	118,260.59	4.62
Revenue from golf services	MK	100	100,842.63	2.93	-	-	-	-
Revenue from health and beauty	MKF, H&W, Rx	100	3,043.95	0.09	25,821.22	0.78	57,317.69	2.24
Other revenues			389,545.47	11.30	382,001.75	11.50	256,178.52	10.00
Total revenue			3,446,474.93	100.00	3,321,339.10	100.00	2,562,405.57	100.00

Note: Other revenues is consisted of interest income, profit from sale of investment, revenue from investment, gain on bargain purchased, etc.

Share of profit from investment

Unit : Thousand baht	Operated by	Shareholding proportion (Percent)	2020		2021		2022	
			Amount	Percent	Amount	Percent	Amount	Percent
Property development for rent	Fraiser Property BFTZ	40	16,284.99	258.03	53,603.36	106.78	356,937.55	46.94
Trust management	PROS REIT	8.92	3,024.33	47.92	10,440.81	20.80	193,095.04	24.77
Property development for rent	BFTZ Bang Pakong	50	-	-	(13,434.31)	-26.76	224,974.48	28.86
Property development for rent	BFTZ Wang Noi	50	-	-	(410.09)	-0.82	(4,428.19)	-0.57
Cement and mortar material	SMK	40.64	(12,998.04)	-205.95	-	-	-	-
Sand	SNS	36.07	-	-	-	-	-	-
Health care and wellness clinic and rehabilitation center	Rakxa Venture	50	-	-	-	-	-	-
Share of profit (loss) of joint ventures and associates			6,311.28	100.00	50,199.77	100.00	779,578.89	100.00

1.2.2 Product characteristics

Property Development for Sale

(1) Product or service characteristics and business innovation development

The company's main product form is pre-built houses for sale in response of clients' needs of ready-to-move in. In 2016, the Company continued to improve its products in terms of functions and design, complemented by the concept of comprehensive well-being. For example, in terms of construction methods the traditional house construction for flexibility in modifying the design of the new generation of houses in each phase of sale to respond to the functional needs that consistent with behavior of consumers in the new normal era, connecting perfectly between living and working in work from home style for people groups of all ages, Ozone garden increases plants to reduce dust and purify the air, and pet zone, relaxation area with favourite pets, playgrounds that promote learning, known as education playgrounds. Wellbeing is taken into account. In addition, the Company uses eco-friendly and energy-efficient materials, green glass for light refraction, LED bulbs, and air flow innovation for keeping house temperatures down, and provides residents with peace of mind with its security system. It also takes into account the needs of surrounding communities. All in all, the Company strives to create good quality of life and a sense of relaxation, making the property suitable for long-term living and enhancing the brand's competitiveness as it remains committed to maintaining "value for money".

Current project for sale

In 2022, 10 residential property projects were launched. These consisted of single-detached house, duplex houses and townhouse projects under the "ChuanChuen"

Project name	Project location	Project area	Number of units/Utility space per unit	Project value (million baht)	Sale progress (as of Dec 31, 2022)
Detached house					
ChuanChuen City Watcharaphon-Ramintra 	ThaRaeng Subdistrict, Bang Khen District, Bangkok	25-2-44.5 rai (Sale started in 2018)	108 units Usable space: 143-163 sq.m./unit	722.97	100%
ChuanChuen Prime Villege Bangna (Phase 1) 	Bangbo Subdistrict, Bangbo District, Samutprakarn	63-0-16.5 rai (Sale started in 2019)	293 units Usable space: 115 - 179 sq.m./unit	1,399.06	55.97%
Duplex houses					
ChuanChuen Park Pinklao-Kanchana 	Sala Klang Subdistrict, Bang Kruai District, Nonthaburi	37-3-17.94 rai (Sale started in 2020)	201 units Usable space: 143-150 sq.m./unit	950	45.77%

Project name	Project location	Project area	Number of units/Utility space per unit	Project value (million baht)	Sale progress (as of Dec 31, 2022)
Townhomes					
ChuanChuen Town Kaew in-Bangyai 	SoiKaew In, Bang Mae Nang Subdistrict, Bang Yai (Bang Bua Thong) District, Nonthaburi	27-3-46.80 rai (Sale started 2017)	274 units Usable space: 140sq.m./unit	849.72	100%
ChuanChuen Town Ratchapruék-345 	Lum Pho Subdistrict, Bang Bua Thong District, Nonthaburi	27-1-95.6 rai (Sale started 2018)	289 units Usable space: 113-140 sq.m./unit	784.41	58.82%
ChuanChuen Town Rangsit-Khlong 1 	Rangsit-Nakhon Nayok Canal Road, Prachathipat Subdistrict, Thanyaburi District, Pathumthani	40-2-50 rai (Sale started 2018)	324 units Usable space: 140 sq.m./unit	1,051.67	97.53%
ChuanChuen Town Chaiyapruék-Chaengwattana 	Phimon Rat Subdistrict, Bang Bua Thong District, Nonthaburi	41-3-17.8 rai (Sale started 2019)	397 units Usable space: 113, 140 sq.m./unit	1,341.59	40.55%
ChuanChuen Town Bang Yai 	SoiPhra Non, Bang Mae Nang Subdistrict, Bang Yai District, Nonthaburi	37-2-46.9 rai (Sale started 2019)	335 units Usable space 140 sq.m./unit	942.20	56.12%
ChuanCheun Town Villege Bangna 	Bang Bo Subdistrict, Bang Bo Distrit, SamutPrakan	41-3-47.2 rai (Sale started 2019)	278 units Usable space:140 sq.m./unit	944.99	37.46%
ChuanChuen Town Rangsit - Khlong 3 	Khlong sam Subdistrict, Khlong Luang District, Pathum Thani	28-2-75.8 rai (Sale started 2020)	321 units Usable 92-120 sq.m./unit	765.96	24.92%

Due to impact of epidemic of COVID-19, resulting in unfavorable economic condition and intense competition in the low-rise housing segment, so the Company delayed the launch of new projects in this year but will focus on selling products in existing projects as much as possible.

In the past, the Company and its subsidiaries do not have a clear policy of research and development on innovation in process, product, and service. However, to be enhance the competitiveness, the Company's team has been keeping an eye on the trend changing in consumer behavior in houses buying selection. The Company and its subsidiaries continuously modify the design and layout of the projects to meet customers' needs, such as, inserting the nature into every dimension through the botanical style design, the design that allows natural wind, emphasize common area with shady trees, New house design, "Modern Minimal", targeting young first-time home buyers. The Company and its subsidiaries still have a policy to seek new innovations to apply with business operation in long-term.

(2) Marketing and Competition

(A) Marketing and Competition policy of the Company

The company's main client profile is a group of buyers with a residential purpose. Therefore, there is no risk of dependency on any particular client. A target client group is mostly those with middle income and above, working as employees in private companies or owning personal businesses. The Company also focuses more on first-time home buyers, who are a younger generation.

For sale channel, the company's sale channel is direct sale to clients, with a sale office at each project and the head office. It also strengthens the existing brands and goes with new marketing approach through online communication for better reach to new groups of clients on social media such as Facebook, Instagram, Line@, YouTube and Tiktok.

(B) Industry conditions and competition

The Office of the National Economic and Social Development Council (NESDC) had forecast that Thailand's economy in 2022 would grow by 3.2%, accelerating from a 1.5% growth in 2021. This was because the COVID-19 situation had eased and the disease was downgraded from a pandemic to an endemic, with vaccines readily available across the country. Economic activity in the private sector and spending behavior resumed to almost pre-COVID levels and recovery of the tourism industry was gaining pace since the reopening of borders at the middle of the previous year. Meanwhile export growth was affected by a slowdown in the global economy and trade, with Thailand's export volume in 2022 expected to grow by 3.2% (source: NESDC).

As for the general overview of the real estate sector in 2022, as the COVID-19 situation continued to ease and became an endemic, economic activity resumed as normal, bringing back confidence to potential home buyers and residential property developers alike. In addition, government stimulus on real estate aimed at decreasing expenses, which will end in 2022, and the Bank of Thailand's easing of the loan-to-value ratio (LTV) were major factors that put the real estate sector on the path of quick recovery. In terms of launching new residential projects in 2022, the number of new residential projects newly launched in the Bangkok Metropolitan Region stood at

approximately 96,803, amounting to 508,264 million baht. Transfer of ownership rights increased nationwide, totaling 373,253 units and amounting to 1 trillion baht, up 8.59% from 2021 (Source: Real Estate Information Center (REIC)).

From the resident property market situation in 2022, the Company continued to prioritize marketing activities that responded to “new normal” consumer behaviors, with housing demand on an increase due to work-from-home trends. Therefore it sought to develop products and services that meet residential needs and put well-being at the core, for example, by focusing on interior design that caters to both residential and working purposes concurrently and facilities that enable residents to strike the right balance in life. It also freshened up its products to appeal to todays' consumers.

It also uses the Pre-approved method, which is for customers to prepare document for applying for a loan, send to bank to consider, and approve the loan before recording reservation in the system. This is an important step that help to manage stock of ready for sale houses and backlog with quality. It make ability to assess market demand clearly and reduce risk of doing business at the same time, and increase digital marketing on online channels continuously to create awareness which lead to decision making process in the future, including continually organizing sales promotion to reduce the burden of customers after purchasing houses.

(3) Procurement of products and services

Procurement of main materials

The main materials for the development of real estate for sale include land and construction materials. The Company places importance on acquiring viable locations for its projects, taking into consideration location potential such as proximity to mass transit, availability of infrastructure, and closeness to existing projects where the Company already enjoy a solid client base. The Company is ready to expand to new neighborhoods considered to be of high potential through its process of land acquisition approval which required collaboration of a number of working groups from various departments. In terms of construction materials, the Company engages contractors to proceed with material procurement directly, with the exception of certain materials that are expensive or needed in large quantities, or materials that require or standard quality control, which the Company handles on its own. In so doing, the Company benefits from managing construction material costs due to economy of scale. Regarding the hiring of contractors, the Company only hires small-scale contractors with good performance, evaluated based on their past works, with whom the Company has worked with for a long time. As required by the Company's procedures, contractors are selected based on their experience, expertise, readiness to invest, and ability to deliver high quality performance and finished products within a deadline. This is one of the Company's strengths. In addition, the Company places importance on selecting the appropriate methods of construction. At present, the Company has its construction methods the focus with traditional construction, To keep costs and inventory in alignment with the rate of sales. It has also introduced new design which responds to the functional needs of consumers from all age groups, and used eco-friendly, energy-efficient materials such as green glass

for light refraction, LED bulbs, and air-flow innovation that will keep house temperatures down to deliver sustainable well-being.

Process and production technology

The Company emphasize on selection of suitable construction system to control cost and control product quantity in accordance with sales rate.

For contractor hiring, the Company hire outside contractors to construct the Company's projects. Most of the contractors are sub/medium-contractors. The Company has rules and procedures for selecting contractors based on skilled and experienced contractors who are ready to invest, have good performance, and have a track record of delivering work on time. In the past, the contractors who accept work from the Company are sub-contractor companies who have consistently good performance and have worked together for a long time. This group of contractors would maintain the quality of work and deliver the work on schedule, so that they can receive the work from the Company continuously and this is one of strengths of the Company.

(4) Assets used in business operation

Most of the assets used in business of real estate for sale consist of real estate development for sale and land held for development to be used for development of real estate projects for sale in the future.

As of 31 December 2022, the Company and its subsidiaries have current and fixed assets used in the business for totaling net book value of 19,864.60 million baht. The main assets used in the real estate business for sale will consist of real estate development for sale and land held for development of 3,224.12 million baht and 467.84 million baht, respectively, or 16.23 % and 2.36% of total assets, respectively. Leasehold, land, building, and equipment assets which is in office, totaling of 5,746.70 million baht or 28.93 % of total assets.

Details of the assets and the appraisal price are shown in Attachment 4 of this report.

The Company has a policy to invest in real estate development for rental and services, such as factory and warehouse for rental business, and property development, health and wellness business, etc. in order to increase the proportion of recurring income in the long run, the board of directors will jointly consider the investment policy of the Company by considering necessity, suitability, and interest of the Company and shareholders, and comply with requirements of Stock Exchange of Thailand and Securities and Exchange Commission strictly.

In the part of supervision of subsidiary and associated companies for most cases, there would be an agreement with joint ventures, such as, sending a director who is the Company's personnel to supervise the subsidiary or associated companies according to the shareholding proportion, etc.

As of 31 December 2022, the Company has investments in subsidiaries in amount of 7,331.32 million baht or 47.83% of total assets (According to separate financial statement) and has investment in associates and joint venture (According to consolidated financial statement) totaling 784.01 million baht or 3.95% of total assets

(5) Undelivered work

As of 31 December 2022, the Company has an obligation to deliver products to houses and lands buyers of various projects as specified in the purchase agreement, approximate total value of 11,780,000 baht as follows:

Project name	Number of units (units)	Project value (baht)
ChuanChuen Town Ratchapruk-345	1	3,490,000
ChuanChuen Town Rangsit -Khlong 3	2	5,040,000
ChuanChuen Town Chaiyaphruk-Chaengwattana	1	3,250,000
Total	4	11,780,000

Property development for rent and services

The Company is engaged in property development for rent and related services, in order to generate rent and service fees as long-term, recurring income. At present, this income comes from a number of sources, such as warehouses and manufacturing factories for rent, office space for rent and golf course. Details are as follows:

Warehouses and factory buildings for rent

(1) Product or service characteristics and business innovation development

Warehouses and factory buildings for rent business is operated by Prospect Development Co.,Ltd., under the project known as "Bangkok Free Trade Zone", located on Mueang Mai Bang Phli Road, Bang Sao Thong District, SamutPrakan Province. The project is 224.15 rai in size, which is divided into (1) public utility area within the project, which is approximately 59.91 rai in size, and (2) area for the development of property for commercial purposes, i.e. factory buildings and warehouses for rent, which is approximately 164.24 rai in size. The latter area is also divided in two following categories:

- General Zone, approximately 49.65 rai
- Free Zone, 174.50 rai

Details of the warehouses and factory buildings for rent business is as follows:

Area of operations

It is located in Bangkok Free Trade Zone, Mueng Mai Bang Phli Road, Bang Sao Thong District, SamutPrakan Province. Prospect obtained the right to sublease this area for rent from Chainan-Bang Phli Parkland Company Limited in land sublease agreements and sublease agreements for land and buildings thereon (warehouses). The term of these agreements is matured in 2040 and in 2041 respectively.

Please note that Prospect obtained the sublease rights on this area for rent from Chainan-Bang Phli Parkland Company Limited. The ownership right in this land lies with Priest Hospital Foundation, Pak Nam Temple, and MongkolNimit Temple.

Details of areas for rent

1. Prefabricated factories and warehouses for rent in the Free zone
2. Prefabricated factories and warehouses for rent in the General zone
3. Built to suit warehouses and factory buildings

Project size

The project consists of warehouses together with office space and factory buildings equipped with public utilities. The area for rent where construction has completed is 163,306 square meters in size, with details as follows:

- | | |
|-----------------------|-----------------------|
| 1. Free Trade Zone | |
| ● Warehouse buildings | 59,415 square meters |
| ● Factory building | 60,196 square meters |
| 2. General Zone | |
| ● Warehouse buildings | 19,068 square meters |
| ● Factory buildings | 24,627 square meters |
| Total | 163,306 square meters |

Moreover, Prospect Development Company Limited has planned to develop these following projects:

1. Bangkok Free Trade Zone 1.1 Project, under development of Freezone Asset Company Limited, subsidiary of Prospect Development Company Limited, located within Bangkok Free Trade Zone 1 Project which is located on Muang Mai road, Bang Phli, Bang Sao Thong subdistrict, Bang Sao Thong district, Samut Prakan province on land area of approximately 13 rai, building area of construction has completed is 21,726 square meters
2. Bangkok Free Trade Zone 2 Project, under development of Prospect Development Company Limited, located on Theparak road, Bang Sao Thong subdistrict, Bang Sao Thong district, Samut Prakan province, on land area of approximately 42 rai, building area of construction has completed is 20,996 square meters and has an area under construction of approximately 12,500 square meters.
3. Bangkok Free Trade Zone 3 Project, developed by Prospect Development Company Limited, located on Liap Khlong Suan Suvarnbhumi road, Bang Pla subdistrict, Bang Phli district, Samut Prakan province, on land area of approximately 130 rai, building area of construction has completed is 49,133 square meters and has an area under construction of approximately 63,000 square meters.
4. Bangkok Free Trade Zone 4 Project, under development of BFTZ Bangpakong Company Limited, joint venture company between Prospect Development Company Limited and Sansiri Public

Company Limited, located on Sukhumvit Sai Kao road, Tha Kham subdistrict, Bang Pakong district, Chachoengsao province, on land area of about 350 rai, building area of about 200,000 square, which is under project developing process

5. Bangkok Free Trade Zone 5 Project, under development of BFTZ Wangnoi Company Limited, joint venture company between Prospect Development Company Limited and FNS Holdings Public Company Limited, located on Phaholyothin road, Lam Sai subdistrict, Wang Noi district, Phra Nakhon Si Ayutthaya province, on land area of approximately 145 rai, building area of construction has completed is 21,010 square meters and has an area under construction of approximately 88,401 square meters.

Important events in the past

In 2016, Prospect assigned lease area 64 rais to Fraser Property BFTZ Co.,Ltd a joint venture in which Prospect holds 40 percent of the shares, to develop real estate for warehouse and factory for rent, or sale of lease, sub-lease in some area of Bangkok Free Trade Zone. Fraser Property BFTZ Co.,Ltd .At the end of December 31, 2020 the Company has registered capital of 803 million baht, paid-up capital of 631.05 Baht.

In 2020, Prospect Development Company Limited, together with FNS Holdings Public Company Limited, have received compensation from terminating the contract and return the land and building sublease rights of some of the land and buildings in the Bangkok Free Trade Zone project to the original sub lessor to let the original sub lessor to sell such leasehold to Prospect Logistics and Industrial Leasehold Real Estate Investment Trust which consists of sublease right of land, warehouses, and factory buildings, including the area of utilities and common road areas as well as the entrance and exit of the project which has total land area of approximately 343,155 square meters (divided into land area of Prospect Development Company Limited approximately 202,962 square meters and land area of FNS Holdings Public Company Limited approximately 140,193 square meters), the building area for lease is approximately 219,116 square meters.

At the end of 2022, Prospect was able to lease in Bangkok Free Trade Zone project 1 area is 156,835 square meters of space to operators, representing 96% occupancy rate and average rental rate of 177 baht/sqm/month. Moreover, the Company also provides management services for Prospect Logistics and Industrial Leasehold Real Estate Investment Trust instead of rental income of land building sold.

(2) Marketing and Competition

(A) Marketing and Competition policy of the Company

Highlights of the Bangkok Free Trade Zone 1 are as follows:

- Receive tax incentives from the Office of the Board of Investment or BOI, the Customs Department, and the Industrial Factory Zone, to exempt corporate income tax, import duties, and export duties for entrepreneurs who rent project areas to import raw material and produce products for sale both domestically and internationally. This is an incentive for entrepreneurs who want to rent factory buildings and warehouses in the potential locations that benefit the most to business operation.

- The location of the project is also in the area that is an industrial and logistics center on Bangna-Trad Road, close to Suvarnabhumi Airport, only 17 kilometers, Bangkok Port 23 kilometers, Laem Chabang Port 90 kilometers, and takes only 60 minutes, which is suitable as a strategic point for logistics to transport and distribute products both in domestic and export to foreign countries around the world.
- The Project management has knowledge and understanding of the Bangkok Free Trade Zone project both in service building location as well as One-stop service to customers, such as obtaining the licenses necessary to start the operation for clients, etc. In addition, the Company is also the developer of the Bangkok Free Trade Zone project and has relationship with retail tenants since the beginning of the project, so they can provide services and other assistance according to customer requirement, most of these are foreign companies whose needs are more complex than general retail sub-lessees.
- The project has been designed with flexibility to accommodate different business sizes of operators. Inside of Bangkok Free Trade Zone project, there are various types of warehouse and factory buildings.
- Warehouse and factory building are well designed which take into account of quality of material used and suitability of use of each sub-tenant. The roof is made of sheet metal with insulation. There is a ventilation plate and translucent roof / wall. The building floor can support the weight of approximately 3.0 tons per square meter. There is designing area of warehouse and factory area with fence and guardhouse, well distance measurement for car parks and cargo handling area for convenience of the sub-tenants in the handling of goods. Warehouse and factory buildings have been developed according to the standard and can be adapted to suit the needs of each retail sub-lessee. In addition, in some buildings, there is extension area that the sub-tenants can expand in the future without having to adjust the structure of the building to meet the growth of the business. Thus, it can meet the needs of sub-tenants of different business size.

Most of customer groups are retail tenants with good business potential and financial stability. They also have variety of nationalities and variety of industry types. The Company places great emphasis on the process of selecting and recruiting potential retail tenants. The lease agreement will be for 3 years or more. The proportion of customers is categorized by industry type and nationality as follows:

Revenue proportion by tenants' nationality	
Thailand	37%
Europe	24%
China	15%
Japan	15%
America-Oceania	5%
Asia	4%

Revenue proportion by tenants' industry	
Logistics	17%
Construction equipment	16%
Food and beverage	15%
Automotive and spare parts	12%
Electrical and Electronics	9%
Aircraft parts	5%
Steel	4%
Equipment	4%
Machine	3%
furniture	3%
Others	12%

(B) Industry situation and competition

Warehouse and factory building tend to be more in demand because Thailand is located in the center of Asia which is good location for investment as being a transportation hub and having good infrastructure together with current factors from growth of E-Commerce business have caused the ready-made warehouse business to growth significantly from the E-Commerce business, which has a large demand for prefabricated warehouse space for storage, sorting, and forwarding various products to both domestic and international consumers. In addition, there are significant supporting factors from accelerating the implementation of government infrastructure development projects, including roads, railways, ports, and airports, including the announcement of he special promotion zone which is the benefit to investors who invest in the target business focusing on the use of advanced technology and modern innovation.

(3) Procurement of products and services

For warehouse building and factory building for rent business, the Company will provide services since construction of prefabricated factory and warehouse in various forms to meet the needs of each type of customer as well as the necessary infrastructure, including common area road, utilities system, security system, cleaning, fire extinguishing systems, sewage and waste disposal systems and other systems, including regular maintenance. The Company will employ both internal and external teams and supervise them to ensure the smoothness of the service and the greatest benefit to the customers.

To this end, innovation is incorporated in our service, namely the service package that offers additional services on top of normal services. The aim is to facilitate tenants in the residential project who are looking for a service - the project will engage in procurement, price comparison and negotiation, quality control and inspection of work done by a contractor, charging an appropriate amount of fee. It also offer security services, as most tenants in the project operate small- to medium-size businesses and security operations required by law form will put a load on their expenses. For

this reason, the project will offer security services for common use, which entails inspecting the areas and monitoring legal compliance, including in regard to possession of chemical and hazardous substances and proper storage thereof and relevant advisories. This service will reduce the risk of accident occurring during security operations and also reduce the risk to assets in an event of a sudden, violent event.

Prospect also applied the Internet of Things (IoT) in its flood prevention system, using technology and the IT system to install a station for measuring water levels and rainfall as a tool to process data on which decisions can be made with precision. This system enhances water management efficiency and creates confidence among tenants in a residential project.

Prospect also has a sustainable management approach in line with ESG principles. In regard to the environment, it complies with EIA measures strictly, submits environmental impact reports every six months and has in place a recruitment process that selects operators who do not cause environmental impacts. For the social pillar, Prospect conducts an opinion and health survey among the nearby communities every two years to make sure its operations do not have adverse impacts on these communities. It also organizes CSR activities annually. In terms of good governance, it established a trilateral committee, with representatives from the government sector, the communities and from the project, to monitor operations collectively. Meetings attended by all three parties are held twice annually.

Prospect designs and develops a variety of products, including warehouses, small factories, factories, and built-to-order warehouses/factories, on locations of strategic importance from the viewpoint of logistics and in industrial estates. This ensures that it caters to various groups of customers and does not rely on any single group, for risk diversification purposes.

In regard to customer relationship management, Prospect organizes events with project tenants regularly. For instance, it provides training on benefits of tax-free zones and on building security in warehouses and factories NS hosts blood-donation events every quarter and merit-making events every year. It also conducts a satisfaction survey on its products and services among tenants annually. Feedback collected from the survey will then be used to improve its services to ensure maximum customer satisfaction

(4) Assets used in business operation

Most assets consist of land, land leasehold right, factory building and warehouse building and various infrastructures in the project

As of 31 December 2022, Prospect Development Company Limited and subsidiaries has main fixed assets used in the business of factory and warehouse building for rent. The net book value is 6,121.31 million baht, which main assets used in business operations consist of land, land leasehold right, factory building and warehouse and infrastructure developed and under development for rent, worth 4,016.65 million baht and 2,104.66 million baht, or 42.71% and 24.74% of total assets, respectively.

Wellness business

(1) Product or service characteristics and business innovation development

The health and beauty business is another business of the Company's group as the Company sees an opportunity for the expansion of medical and wellness tourism in Thailand, according to the Medical Wellness Institute's study, it ranks Thailand as 13th in the world in health tourism, together with the government's policy to develop Thailand as an international medical hub. The Company collaborated with Bumrungrad Hospital to develop the first integrated health and holistic medicine center in Asia under "RAKxa" project.

The main target customers of the project are expatriates and Thais who wish to have superior experience designed specifically for health and beauty care. Holistic health care package selling are available in variety of different health goals. There is period of service from 1 days to 14 days, covering various services as follows:

- Analyze health with modern medicine technology to match the genetics, hormones, and lifestyle of particular person.
- Provide a merge service in many fields, such as traditional Chinese medicine, Thai traditional medicine, water bath, steam bath, etc.
- Provide a medical fitness center with physical therapists and sport scientists providing advice on solving individual problems.
- Provide health food services by chefs and nutritionists to prepare food for the patient, including providing customers with food that is known to the source as Farm-to-Table, non-toxic, and good for health.
- Provide accommodation while receiving health care services which is designed to make users feel relaxed and have privacy in the midst of atmosphere surrounded by nature. The position and distance of various furniture placement is designed by team of doctors and physical therapists, not to hinder the elderly and those who need a wheelchair.

(2) Marketing and competition

(A) Marketing and Competition policy of the Company

The project will focus on the main customers who are foreigners and Thai people who are ready to invest in sustainable good health. These customers do not only want to see changes and tangible result but still need service and atmosphere that make come to rest. The project has prominent point of upgrading holistic preventive medical services that cover every science, dimension, combining modern medical science that meet international standard with holistic medical science under supervision of team of doctors and health professionals, including landscape design under the concept of "Botanical Wellness Journey" that is plenty in plant species to achieve physical and mental aesthetics, emphasis on natural therapy by creating agreeable area with more than 4,000 trees within the project. In addition to complete health care,

food as well as living are another important thing. The food served will have team of nutritionists to advise to make food to improve health or prevent inflammation of body. Moreover, there are also many interesting workshops and activities for holistic wellness.

(B) Industry situation and competition

Thailand's healthcare and hospital business has been supported by government policies that aimed to promote Thailand to be Medical Hub since 2003, as well as global trends based on data from the Global Wellness Institute (GWI), which do global health market research and reveal that value of health industry in 2018 was as high as 4.5 trillion USD or 141.6 trillion baht, growing from 4.2 trillion dollars or 132.1 trillion baht in 2017. Moreover, it achieved an average annual growth rate of 6.4% during 2015-2017, almost twice the rate of global GDP, with global GDP growing only 3.6% per year according to IMF figures. Health service business with high market share are: Beauty and anti-aging business, preventive medicine business, etc. In wellness tourism, it is considered a high-value market with continuous growth. In 2017, data from Global Wellness Institute (GWI) found that the number of tourists in this market reached 12.5 million persons-times (meaning one person may travel to several provinces or several times in a year), generating over 400,000 million baht in revenue. Meanwhile in Thailand, the Medical Tourism has a number of tourists of 3.6 million persons-times, generating revenue of 41 billion baht (2019 data by Kasikorn Research Center). As a result, Thai private hospitals and health service businesses are rapidly adapting and are recognized internationally as one of the world's medical tourism destinations with availability of natural attractions suitable for the recuperation period and there are 66 hospitals that have been certified according to internal standard "JCI" (Joint Commission International Accreditation), higher than competitors in the region. International Healthcare Research Center (IHRC) ranked Thailand's health tourism industry 6th in the world in 2019 and accounted for the most medical tourists, accounting for 38% of Asia. Thailand is one of the world's 5 best medical institutions for health tourism.

However, during 2022, despite the impact of COVID-19 epidemic crisis, travel in and out of the country was restricted, global healthcare tourism market is growing at slower pace than expected but in the same time, this situation is important factor in healthcare trend aroused the interest of more domestic consumers. As a result, business related to health care, whether prevention or treatment, become the star business of 2022. According to the Ministry of Commerce data, the number of new health and medical businesses establishment have grown steadily from 2018-2026 by thousands of enterprises, forcing all business to adapt and tap into more domestic customers, for example, modifying the program characteristics to meet the needs of top-level customers in the country, etc.

(3) Procurement of products and services

For this project, the Company invest in land and has partnered with Bumrungrad's VitalLife Center to provide medical management since personnel, drugs, medical supplies, and equipment.

This project is a collaboration between a team of physicians and health advisors, who analyze results of a preliminary medical examination (which includes tests of the blood, DNA, hormone levels as well as inflammation) and pass along to a team of alternative medicine practitioners and specialists in respective fields, using state-of-the-art equipment and devices and multidisciplinary expertise to improve quality, including

- Hyperbaric chamber, which involves breathing concentrated oxygens, around three times the normal level, to increase sleep quality, stimulate growth factors and stem cell proliferation and prevent bacterial and viral infections.
- Nutrition blood testing to evaluate the levels of nutrients, vitamins and minerals and determine one's status of health and providing advice on a diet or vitamin intake to help maintain a nutrient balance.
- Use of applied Thai traditional medicine in conjunction with tea making according to one's life element (earth, water, wind, fire). For example, people with the fire element tend to suffer from mouth ulcers and sleep disorders, due to an imbalance in the fire element which may be caused by changes in hormones, light, emotions and other related factors. The Wellness Center uses main ingredients such as sleepy plant (*Mimosa pudica*) to blend with other ingredients to make its signature "Mind-Soul" tea, which helps one to achieve deeper, better sleep.

The aims of the project are to improve health behavior and health awareness of its customers using its studies and expansion of existing knowledge, and make applied Thai traditional medicine more widely known and easier to understand among foreigners.

(4) Assets used in business operation

The project was built in Bang Kachao area, Bang Nam Phueng subdistrict, PhraPradaeng district, SamutPrakan province, on an area over 180 rai with most of the assets comprised of land, building, structures and equipment.

Office building for rent

The Company provides space rental services at 345 Surawong building, a 7-storey office building on Surawong Road and Charoenkrung Road for non-used area for the Company, including parking service since moving into this building on 20 September 2019.

Golf course

Flora Ville Golf and Country Club which is operated by the Company changed its name from ChuanChuen Golf Club, with approximately total of 400 rais, consist of 18 holes. It is located on Bangkok-Pathum Thani road. The clubhouse building to be more modern style, equip with various facilities, such as, meeting rooms, restaurant, pro shops and locker rooms. On 15 December 2022, the Company sold Flora Ville Golf and Country Club to non-related party.

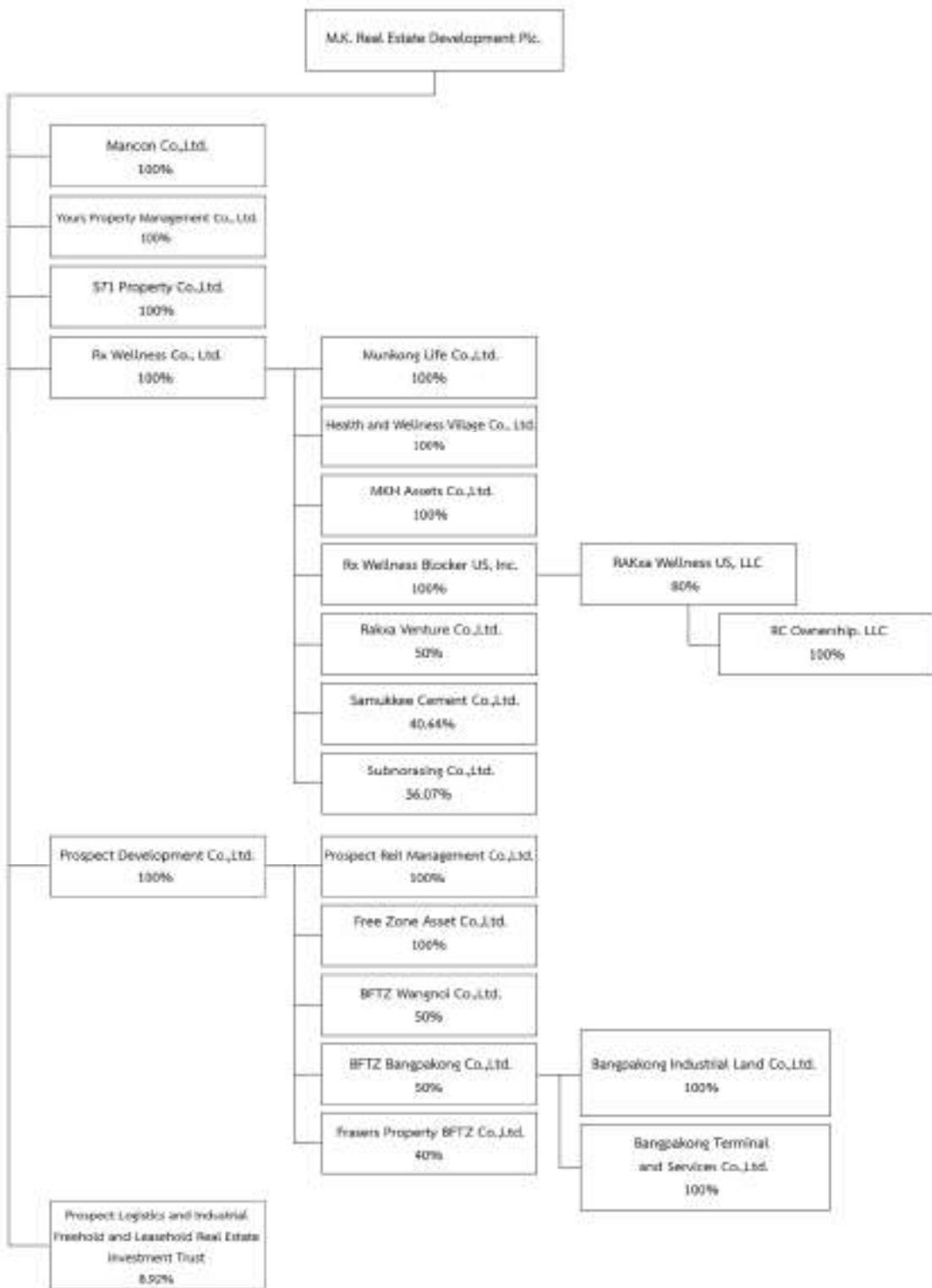
Property management business

The Company earns income from real estate management from Prospect Development Company Limited and Yours Property Management Company Limited to provide building management service.

1.3 Group companies shareholding structure

1.3.1 Group companies shareholding structure

The Company is engaged in the development of residential property for sale, focusing on horizontal projects, and the development of property for rent and related services. The Company's shareholdings in other companies, as at 31 December 2022, are as follows:



- Subsidiary companies consist of the following:
 1. Mancon Co.,Ltd., engaged in construction contracts and property development for small projects.
 2. Yours Property Management Co., Ltd., engaged in providing building and property management services.
 3. S71 Property Co.,Ltd. engaged in property development.
 4. Rx Wellness Co., Ltd. (formerly S71 Holding Co.,Ltd.) engaged in property development, health and wellness.
 5. Prospect Development Co.,Ltd., engaged in development of factory buildings and warehouses and storage for rent.
- Indirect subsidiary companies consist of the following:
 1. Prospect Reit Management Co.,Ltd., engaged in reit manager for property investment (a subsidiary company of Prospect Development Co.,Ltd.)
 2. Free Zone Asset Co.,Ltd., engaged in real estate for rent and services(a subsidiary company of Prospect Development Co.,Ltd.)
 3. Munkong Life Co.,Ltd., engaged in property development and rehabilitation for rent. (a subsidiary company of Rx Wellness Co., Ltd.)
 4. MKH Assets Co.,Ltd., engaged in property development , health and wellness and hotel. (a subsidiary company of Rx Wellness Co., Ltd.)
 5. Health and Wellness Village Co., Ltd.,engaged in medical,health and wellness. (a subsidiary company of Rx Wellness Co., Ltd.)
- Indirect subsidiary companies in USA consist of the following:
 1. Rx Wellness Blocker US, Inc.,engaged in investment in wellness business and / or operation in wellness business. (a subsidiary company of Rx Wellness Co., Ltd.)
 2. RAKxa Wellness US, LLC , engaged in investment in operating resort and wellness business (a subsidiary company of Rx Wellness Blocker US, Inc.,share holding by Rx Wellness Blocker US, Inc. for 80% and ER Wellness, LLC for 20%)
 3. RC Ownership, LLC, engaged in operating resort and wellness business (a subsidiary company of RAKxa Wellness US, LLC)
- Associated company consist of the following:
 1. Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust (Trust), the Trust is classified as associated company of the Company as Prospect Reit Management Company Limited (indirect subsidiary) has been appointed as REIT manager. (share holding by FNS Holdings Public Company Limited (formerly Finansa Public Company Limited) for 22.99%, M.K. Real Estate Public Company Limited for 8.92%, and other shareholders for 68.09%)

- Indirect Associated companies consist of the following:
 1. Samukkee Cement Co.,Ltd., engaged in the manufacture of cement and ready-mixed concrete (an associated company of Rx Wellness Co., Ltd.) (shares holding by Rx Wellness Company Limited for 40.64%, Tangmatitham family for 20.96%, and other shareholders for 38.40%)
 2. Subnorasing Co.,Ltd., engaged in the production of manufactured sand (an associated company of Rx Wellness Co., Ltd.) (shares holding by Rx Wellness Company Limited for 36.07%, Mr.Chuan Tangmatitham for 13.90%, Mr.Chimchai Setapram for 13.90%, and Mr.Vicharn Wattanacheeranon for 13.90%)
- The Company's joint ventures consist of the following:
 1. Frasers Property BFTZ Co.,Ltd., engaged in provision of warehouses for rent with the investment from Prospect Development Co.,Ltd. (shares holding by Prospect Development Company Limited for 40.00% and Fraser Property Industrial (Thailand) Comany Limited for 60.00%)
 2. BFTZ Wangnoi Co.,Ltd., engaged in developing factory building and warehouse for rent with the investment from Prospect Development Co.,Ltd. (shares holding by Prospect Development Company Limited for 50.00% and FNS Holdings Public Company Limited (formerly Finansa Public Company Limited) for 50.00%)
 3. BFTZ Bangpakong Co.,Ltd., engaged in developing warehouse and factory for rent including infrastructure, facilities and other related business with the investment from Prospect Development Co.,Ltd. (shares holding by Prospect Development Company Limited for 50.00% and Sansiri Public Company Limited for 50.00%)
 4. Rakxa Venture Co.,Ltd., (formerly Health and Wellness Ventures Co.,Ltd.) engaged in health care and wellness center clinic and rehabilitation center with the investment from Rx Wellness Co., Ltd. (shares holding by Rx Wellness Co., Ltd. for 50.00% and Vitallife Allianz Co.,Ltd. (Subsidiary of Bumrungrad Hospital Public Company Limited) for 50.00%)
- Subsidiary of Joint Venture Company consist of the following:
 1. Bangpakong Industrial Land Co.,Ltd., engaged in developing Land for sale (a subsidiary company of BFTZ Bangpakong Co.,Ltd.)
 2. Bangpakong Terminal and Services Co.,Ltd., engaged in developing facilities and utilities system (a subsidiary company of BFTZ Bangpakong Co.,Ltd.)

General information of companies holding more than 10% of shares, as at 31 December 2022

No.	Company name	Office location	Percent of share held by the Company	Paid-up share capital	Registered capital	Number of shares issued	Par value
Property development and related businesses							
1	Mancon Co.,Ltd. Engaged in construction contracts and property development for small projects	8 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-234-8888 Fax 02-234-8880	100%	20,000,000	20,000,000	2,000,000	10
2	Rx Wellness Co.,Ltd. Engaged in property development, health and wellness	8 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-234-8888 Fax 02-234-8880	100%	4,600,000,000	4,600,000,000	46,000,000	100
3	Munkong Life Co.,Ltd. Engaged in property development and rehabilitation for rent	8 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-234-8888 Fax 02-234-8880	100%	4,020,000,000	4,020,000,000	40,200,000	100
4	MKH Assets Co.,Ltd. Engaged in property development, health and wellness and hotel	8 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-234-8888 Fax 02-234-8880	100%	138,500,000	138,500,000	1,385,000	100
5	S71 Property Co.,Ltd. Engaged in property development	8 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-234-8888 Fax 02-234-8880	100%	650,000,000	650,000,000	6,500,000	100
6	Bangpakong Industrial Land Co.,Ltd. Engaged in developing Land for sale	5 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-697-3788 Fax 02-697-3794	50%	5,000,000	5,000,000	50,000	100
7	Samakkee Cement Co.,Ltd. Engaged in manufacture of cement and ready mixed concrete	719/3 Soi Chula 10, Rama VI Road, Wangmai, Patumwan, Bangkok	40.64%	235,000,000	235,000,000	47,000,000	5
8	Subnorasing Co.,Ltd. Engaged in industrial sand production	11 Soi Nonthaburi 8 Yeaek 7, Nonthaburi Road, Tambon Bangkrasor, Amphur Muang Nonthaburi, Nonthaburi	36.07%	18,000,000	18,000,000	180,000	100

No.	Company name	Office location	Percent of share held by the Company	Paid-up share capital	Registered capital	Number of shares issued	Par value
Property for rent and related services							
9	Prospect Development Co.,Ltd. Engaged in development of factory buildings and warehouses for rent	5 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-697-3788 Fax 02-697-3794	100%	2,260,000,000	2,260,000,000	226,000,000	10
10	Yours Property Management Co.,Ltd. ²⁾ Engaged in building and property management service	6 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-234-8888 Fax 02-234-8880	100%	3,000,000	5,000,000	50,000	100
11	Health and Wellness Village Co.,Ltd. Engaged in medical health and wellness	8 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-234-8888 Fax 02-234-8880	100%	283,200,000	283,200,000	2,832,000	100
12	Prospect Reit Management Co.,Ltd. Engaged in investment in reit manager for property investment	5 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-697-3788 Fax 02-697-3794	100%	16,000,000	16,000,000	160,000	100
13	Free Zone Asset Co.,Ltd. Engaged in real estate for rent and services	5 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-697-3788 Fax 02-697-3794	100%	182,500,000	182,500,000	1,825,000	100
14	BFTZ Wangnoi Co.,Ltd. Engaged in developing factory building and warehouse for rent	5 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-697-3788 Fax 02-697-3794	50%	5,000,000	5,000,000	50,000	100
15	BFTZ Bangpakong Co.,Ltd. Engaged in developing warehouse and factory for rent including infrastructure, facilities and other related business	5 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-697-3788 Fax 02-697-3794	50%	500,000,000	500,000,000	5,000,000	100

No.	Company name	Office location	Percent of share held by the Company	Paid-up share capital	Registered capital	Number of shares issued	Par value
16	Bangpakong Terminal and Services Co.,Ltd. Engaged in developing facilities and utilities system	5 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-697-3788 Fax 02-697-3794	50%	5,000,000	5,000,000	50,000	100
17	Rakxa Venture Co.,Ltd., Engaged in health care and wellness center clinic and rehabilitation center	7 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-234-8888 Fax 02-234-8880	50%	1,000,000	1,000,000	10,000	100
18	Frasers Property BFTZ Co.,Ltd. Engaged in provision of warehouses for rent	944 MitrTown Office Tower, 22 nd – 23 rd Floor, Rama IV Road, Kwaeng Wangmai, Khet Pathumwan, Bangkok 10330 Tel 02-679-6565 Fax 02-287-3153	40%	765,920,000	803,000,000	80,300,000	10
19	Prospect Logistics And Industrial Freehold And Leasehold Real Estate Investment Trust ¹⁾ Engaged in investment in leasehold land with warehouse and factory building for some part of Bangkok Free Trade Zone project	5 th Floor, 345 Surawong building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok 10500 Tel 02-697-3788 Fax 02-697-3794	8.92%	2,320,076,500	4,024,622,500	245,000,000	9.4697

Indirect subsidiary companies in USA

No.	Company name	Office Location	Percent of share held by the Company	Initial Capital
20	Rx Wellness Blocker US, Inc. Engaged in investment in wellness business and / or operation in wellness business	874 Walker Road,Suite C, in the City of Dover,Country of Kent,DE 19904	100%	200 USD
21	RAKxa Wellness US, LLC Engaged in investment in operating resort and wellness business	874 Walker Road,Suite C, in the City of Dover,Country of Kent,DE 19904	80%	200 USD
22	RC Ownership, LLC Engaged in operating resort and wellness business	570 Johnson Dr Aspen CO 81611-9704 US	100%	200 USD

Remarks: 1) The Company invests in Prospect Logistics And Industrial Freehold And Leasehold Real Estate Investment Trust (Trust), accounting for 8.92% of the number of trust units issued and offered. The Trust is classified as an associated company of the Company due to the significant influence of the Company as Prospect Reit Management Company Limited (indirect subsidiary) has been appointed as REIT manager.

In addition, on 10 June 2022 , the Company received return of capital from Trust of Baht 0.1975 per unit , amounting to Baht 4,314,802.25.

2) Yours Property Management Co.,Ltd., has registered the capital decrease from the registered capital of 500 million Baht to 300 million Baht at the Department of Business Development, Ministry of Commerce on 6 January 2023

1.3.2 Shareholding in subsidiaries or associates of persons who may have conflicts

-None-

1.3.3 Relationship with business group of major shareholders

-None-

1.3.4 Shareholders

The list of top 10 shareholders as at 30 December 2022, which was the most recent book closing date (XO), is as follows.

<u>Shareholders</u>	<u>Number of shares held</u>	<u>Percent of paid-up capital</u>
1. FNS Holdings Public Company Limited	343,834,202	31.510
2. Mr. Prateep Tangmatitham	140,853,482	12.908
3. Supalai Property Management Co.,Ltd.	95,712,420	8.771
4. CPD Holding Co.,Ltd.	60,492,171	5.544
5. WISDOM LEADER VENTURES LIMITED	52,171,368	4.781
6. Mr. Urchart Karnchanapitak	30,764,140	2.819
7. BCH Holding Co.,Ltd.	26,829,270	2.459
8. Miss Piyasri Tantiwatna	24,381,820	2.234
9. Miss Chutima Tangmatitham	17,331,015	1.588
10. Mrs. Anchan Tangmatitham	15,960,446	1.463
Total of shares held by top 10 shareholders	808,330,334	74.077
Other shareholders	282,874,732	25.923
Total	<u>1,091,205,066</u>	<u>100.000</u>

1.4 Number of registered and paid-up shares

As of 31 December 2022, the Company has registered capital of 1,117,211,195 Baht, paid-up Capital of 1,091,205,066 Baht, consisting of 1,117,211,195 shares of common stock at par value of 1 Baht.

1.5 Other securities

1.5.1 The ordinary share-purchase warrants of the Company issued to the Directors Executives and Employees of the Company and its subsidiaries No.1 (MK-WA)

The Annual General Meeting of Shareholders for the year 2019 held on April 25, 2019 approved the issuance and offering of the ordinary share-purchase warrants to the directors, executives and employees of the Company and its Subsidiaries No.1 (MK-WA) in the amount of not exceeding 26,000,000 units in order to allocate to the directors, executives and employees of the Company and its Subsidiaries according to the scheme of issuance and offering of the ordinary share-purchase warrants to the directors, executives and employees of the Company and its Subsidiaries No.1 (MK-WA) has details as follows:

Warrant	: The ordinary share-purchase warrants of the Company issued to the Directors Executives and Employees of the Company and its subsidiaries No.1 (MK-WA)
Type of Warrant	: Ordinary share-purchase warrant, specified name of the holder type, non-transferable, except under the conditions of inheritance transfer or transferring to heir or legal representative, or any other events that Board of Directors may deem appropriate.
Type of Warrant to be issued and allotted	: Not exceed 26,000,000 units
Par Value Per Unit	: 0 Baht per unit
Offering Price Per Unit	: 0 Baht
The Allocation	: These ordinary shares, allocated by means of offering warrants, will be allocated to the directors and employees of the Company and its subsidiaries based on the position, duty, and responsibility towards the company and its subsidiaries, past experience, working proficiency, performance contributed to company and its subsidiaries, as well as potential interest provided to the Company. The Company's Directors assigned the Chief Executive Officer to allocate the shares based on the discretion. For more than 5% of newly issued and offered shares allocated to any director/ employee, the Board of Directors is in charge of proposing the agenda for shareholders' meeting according to rules and conditions under the Notification of the Capital Market Supervisory Board.
	The details of warrant allocation are shown below:
	<ul style="list-style-type: none"> a) Not exceeding 41.92% of Ordinary Share-Purchase Warrants shall be allocated to the directors and executives of the Company and its subsidiaries. b) Not exceeding 58.08% of Ordinary Share-Purchase Warrants shall be allocated to employees of the Company and its subsidiaries.
Exercise Ratio	: 1 unit of Warrant (MK-WA) will be entitled to purchase 1 ordinary share. The Exercise Ratio may be changed thereafter in case of an adjustment of rights.
Exercising Price (Per Share)	: 4.00 Baht ^{1/} (Four Baht), the Exercise Price may be changed thereafter in case of an adjustment of rights Remarks: ^{1/} The exercise prices are not considered the discount price as specified in the notification of the Capital Market Supervisory Board. The volume weighted average of the closing price of the Company ordinary shares during 15 days before the date of the

	Board of Directors' meeting on March 12, 2019 equals to 3.77 Baht per share.
Maturity	: Not exceeding 5 years from the warrant issuance and offering date. (The Issue date of Warrants is on 17 June 2020, expiration date is on 16 June 2024)
Number of Shares Issued and Reserved for Exercising Right of Warrant	: Not exceeding 26,000,000 shares, with a par value of Baht 1.00 per share, representing 2.62 percent of the total issued and paid-up capital of the Company. The company will offer the ordinary share-purchase warrants No.1 (MK-WA) in accordance with warrant's maturity.
Exercise Period	: The warrant holder shall be entitled to exercise the warrant to purchase ordinary shares in the number of which the warrant holder is entitled to exercise each year according to the succeeding paragraph every 15 th of March, June, September, and December during 9.00 am. to 3.00 pm., within the exercise period. In the event that the exercise date is on holiday, the exercise date shall be rescheduled to the first business day after such predetermined exercise date. In the event that the last exercise date is holiday, the last exercise date shall be rescheduled to the last business day prior to such holiday.
1 st Year	The warrant holder can exercise the right starting from the end of 1 year period from the issuance date of warrants' to the warrant's expiration date.
2 nd Year	The maximum number of ordinary shares that each warrant holder can exercise the right to purchase is 1/4 of the total number of the warrants being allotted to him/her by the Company. The number of the warrants being exercisable in the 2 nd year but remain outstanding can be exercised in the following years until they have reached the expiration of the exercise period in accordance with the Plan.
3 rd Year	The maximum number of ordinary shares that each warrant holder can exercise the right to purchase is 1/4 of the total number of the warrants being allotted to him/her by the Company. The number of the warrants being exercisable in the 3 rd Year but remain outstanding can be

exercised in the following years until they have reached the expiration of the exercise period in accordance with the Plan.

4th Year The maximum number of ordinary shares that each warrant holder can exercise the right to purchase is 1/4 of the total number of the warrants being allotted to him/her by the Company.

The number of the warrants being exercisable in the 4th Year but remain outstanding can be exercised in the following years until they have reached the expiration of the exercise period in accordance with the Plan.

5th Year The maximum number of ordinary shares that each warrant holder can exercise the right to purchase is 1/4 of the total number of the warrants being allotted to him/her by the Company.

Any remaining warrant, unexercised from all the years prior to 5th years, can be exercised before termination of exercise period under this scheme.

As of 31 December 2022, there is no exercising from warrant holder yet. There are the remaining MK-WA of 26,000,000 units.

1.5.2 Debenture

Short-term debentures

- Issued by M.K. Real Estate Development Public Company Limited

No.	Quantity (thousand units)	Par value per unit (baht)	Total value (million baht)	Issue date	Age of debenture	Maturity date	Interest rate (% per year)
No.3/2022 (Repayment interest on maturity date)	309.1	1,000	309.1	13 May 2022	270 days	7 February 2023	3.90
No.4/2022 (repayment interest every 3 months)	700	1,000	700	8 July 2022	270 days	4 April 2023	4.10
No.5/2022 (Repayment interest on maturity date)	200	1,000	200	30 November 2022	268 days	25 August 2023	4.20
Total			1,209.1				

Long-term Debentures

- Issued by M.K. Real Estate Development Public Company Limited

No.	Quantity (thousand units)	Par value per unit (baht)	Total value (million baht)	Issue date	Age of debenture	Maturity date	Interest rate (% per year)
No. 2/2019 (repayment interest every 3 months)	1,565	1,000	1,565	12 December 2019	3 years 11 months 19 days	1 December 2023	5.75
No. 1/2020 (repayment interest every 3 months)	451.5	1,000	451.5	28 August 2020	2 years 6 months	28 February 2023	5.60
No. 1/2021 (repayment interest every 3 months)	500	1,000	500	29 April 2021	2 years	29 April 2023	5.25
No. 2/2021 (repayment interest every 3 months)	636.4	1,000	636.4	28 May 2021	2 years 10 months	28 March 2024	5.60
No. 1/2022 (repayment interest every 3 months)	500	1,000	500	18 March 2022	2 years 6 months	18 September 2024	5.60
No. 2/2022 (repayment interest every 3 months)	700	1,000	700	16 June 2022	3 years	16 June 2025	6.00
No. 3/2022 (repayment interest every 3 months)	1,189.30	1,000	1,189.30	15 September 2022	2 years 6 months	15 March 2025	5.85
Total			5,542.20				

- Issued by Prospect Development Company Limited

No.	Quantity (thousand units)	Par value per unit (baht)	Total value (million baht)	Issue date	Age of debenture	Maturity date	Interest rate (% per year)
No. 1/2021 (repayment interest every 3 months)	300	1,000	300	14 May 2021	2 years	14 May 2023	6.25
No. 1/2022 (repayment interest every 3 months)	600	1,000	600	19 October 2022	2 years	19 October 2024	5.60
Total			900				

Remark : On 27 January 2023, the Company issued unsecured short-term debentures No. 1/2023 in an amount of Baht 300 million.

1.6 Dividend policy

Per its policy, the Company pays dividend to shareholders at the rate of at least 30 percent. The Company's subsidiaries will pay dividend based on the resolution of their respective Board of Directors.

The below table shows dividend payment in the past three years:

Detail of dividend payments	2019*	2020	2021
1. Profit - Owners of the Company (Baht) (base on consolidated financial statement)	177,446,766		
2. Profit - Owners of the Company (Baht) (based on separate financial statement)	372,773,547		
3. Number of shares (shares)	1,091,205,066		
4. Par Value (Baht:Share)	1.00	The omission of dividend payment	The omission of dividend payment
5. Dividend paid per share			
5.1 Stock Dividend (baht:share)	-		
5.2 Cash Dividend (baht:share)	<u>0.11</u>		
5.3 Total Dividend (baht:share)	<u>0.11</u>		
6. Total dividend payment (baht)	120,032,557.26		
7. Dividend payout ratio (%)	32.20		

Remark: * The Board of Directors Meeting of the Company No. 9/2020 held on September 29, 2020 has passed a resolution to approve the payment of interim dividend for the Company's operation 2019 based on the retained earnings shown in the Company statement of income for the year ended 31 December 2019 to the shareholders of the Company amounting to 1,091,205,066 shares at a rate of 0.11 Baht per share, totaling 120,032,557.26 Baht.

The Board of Directors' approval of the interim dividend payment is in accordance with the resolution of 2020 Annual General Meeting of Shareholders indicating that when the Company had positive cash flow, the Board of Directors would approve the payment of interim dividend to the Shareholders.

2. Risk management

Risk management is one of the Company's top priorities, especially in light of the COVID-19 outbreak. The Company has engaged in risk diversification by investing in and generating revenue from a variety of business segments, rather than relying on any specific one which may be severely impacted by external factors. This is well reflected in the Company's revenue makeup, with revenue not only coming from real estate development but from various businesses, and therefore risks are kept at manageable levels when a crisis strikes. This risk diversification approach also enables regular revenue recognition.

The previous year was marred with the COVID-19 pandemic which affected the economy globally and domestically. From this situation, the Company gained experience of risk management in an environment of serious economic turbulence, and it was able to achieve comprehensive risk management from risk management plans it had developed beforehand, e.g., managing risks that affect the Company's strategies. The Company analyzed and monitored the situation while regularly studying market conditions, issued measures aimed at gaining customer confidence in products and services, and adjusted strategies related to company operations to align with the government's economic stimulus. For 2022, the Company is prepared to manage risks from reduced consumer spending power and make adjustments in order to benefit from a government stimulus package aimed at economic revival to pre-pandemic levels. To this end, the Company treats risk management as a priority, including internal control which is a key mechanism for achieving business goals. The Company is watchful for and analyzes risks that arise, and its key approach is to diversify risks by generating revenue from various business segments, including residential real estate, industrial real estate and healthcare services, to avoid being severely impacted by reliance on one single segment. This way, the Company can prevent and mitigate impacts from any potential risks in the future. All risk transaction has been discussed, monitored, and assessed by risk management expert team from the Rattakit Research Centre Company Company Limited. For the year 2022, the risks and risk management guidelines are as follows:

2.1 Risk management plan and policy

The Company attaches the importance to monitoring and managing risks by focusing on the diversification of business risks, including considering the risks in each dimension in every aspect. The main policy for risk management is to focus on risks and factors affecting business operations as well as factors affecting customer expectations as well as prepare measures to support each risk issue, develop plan to support each risk, and allow all departments to take responsibility under the policy and risk management plan as follows:

- Diversification of business risks
- Preparation of measures to support for new risks
- Review of measures to manage existing risks
- Establishing standard processes to increase confidence and reduce risks in business operations
- Monitoring the impact of risks on operating results

In 2022, the Company has adjusted by diversification to reduce dependence on income from specific industry. The past crisis shows that an organization with particular business can face serious problems. There should be diversification of risk of products and services and have opportunity to earn money in different situations which the Company has applied the principle of risk diversification by continuously building business in other industries, resulting in real estate development business for rental and industrial services and health service business in addition to the existing core business and reflect the preparation and prevention potential risks of the Company.

In addition, the Company also consider possibility of other related risks which may have impact on business to establish control measure, prevent, amendment. The Company has established the risk management policy for the entire organization and the risk management structure as follows:

Organization-wide risk management policy

1. Push the management and all employees to be aware of operational risk, encourage everyone to take ownership of risks, have duty to properly protect the potential risks, provide opportunities for every one to participate in risk management measures with clear preparation for various situations.
2. Define the management and employees in the department and other units must have understanding of the corporate risk management policy. They must have a role and participate in development of the organization's risk management and has been promote to knowledge and understand the duties and responsibilities related in risk management.
3. Establish the effective risk management process at all stages of the operation in accordance with good corporate governance principles to reduce uncertainty and increase the success in achieving the Company's business objectives.
4. Implement and support successful risk management throughout the organization by effectively utilizing the available resources for assessment and set the appropriate measures to control and manage risks.
5. Promote and encourage risk management as an organizational culture by making everyone realize the importance of risk management as an important thing in business operation of the organization.

Organization-wide risk management structure

The organization-wide risk management structure consists of directors, management and all departments in the organization with the risk management committee throughout the organization appointed by the Board of Directors to oversee the effective and efficient risk management system in the organization, make stakeholders understand the risks that could have severe impact to the organization and ensure that appropriate action is taken to manage them, and has central agency to coordinate and support management and various departments to continuously implement the risk management process.

2.2 Risk factor to business operation of the Company

The Company takes into account the risk from impact of various environmental factors. Risk factors for each business are considered with risk management specialists to determine risk issues, risk management framework to be prepared to manage, including the preparation of standard processes for proper operation to the Company's business operations. The list of risks for each key issues are summarized as follows:

2.2.1 Economic risk

There are clear indicators that the global economy is headed for a recession, such as global inflation, currency fluctuations, international armed conflict and an energy crisis. Central banks from across the world are expected to tighten monetary policy, and tight money conditions worldwide are accelerating a global recession. Both Europe and the United States are experiencing an economic slowdown, as is China due to its Zero-COVID policy and a weakened real estate sector. Further tightening of monetary policy will exacerbate the slowdown and the world is forecast to enter a recession next year.

An economic slowdown and reduced spending power in the country means more businesses are relying more on foreign customers to buy their products and services, especially in healthcare services. If the number of incoming foreign tourists is lower than forecast, or if strict measures are implemented domestically, the Company's revenue can be affected. Meanwhile, some competitors are shifting their focus to domestic clients, leading to fiercer competition. However, to mitigate this risk, the Company has become more proactive in its business operations, by communicating with clients clearly about measures in place in Thailand and facilitating use of company services by foreign customers to gain their confidence. The Company also increased overseas advertising, including through overseas agents, to make itself better known internationally. However, in regard to healthcare services, whereas the Company previously aimed to increase income from foreign customers, this year it launched a new place of business with products and services catering more to domestic clients, to reduce reliance on foreign customers. As for industrial real estate, which targets a different client group.

2.2.2 Strategic risk

Political, legal and regulatory uncertainty all affect business strategies and decision-making related to an organization's operations. Changes and impacts from ever-changing government policies, which are a main factor in the target customers' decision to travel and also affect confidence of foreign investors, as well as international armed conflict, prompt customers to delay purchases, or banks to tighten lending in line with the Bank of Thailand policy. To mitigate this risk, the Company monitors any regulatory updates closely to adapt and respond promptly. Recently a law was drafted to allow high-potential foreigners wishing to relocate to Thailand (Long-Term Resident Visa) to buy residential property. Thailand's real estate market may attract a new group of customers with high purchase power from this law. Although foreign customers are not the Company's main target, but with market demand remaining the same, more customers may buy the Company's real estate as a result. The

Company's healthcare services may also benefit from this law, attracting customers who visit Thailand for healthcare tourism and those who can now stay in Thailand longer. The Company has analyzed the needs of high-potential foreigners who wish to live in Thailand long-term, in order to implement selling strategies that meet their demands.

2.2.3 Financial risk

With the inflation rate jumping to its highest in 13 years, the Bank of Thailand has issued measures to slow down inflation by adjusting the policy interest rate, just as the US' Federal Reserve had done previously. However, the Company has financial cost, having mobilized short-term capital which can change according to fluctuations and long-term capital which can benefit from an increase in interest rate. The Company can also mobilize capital in various other forms such as by issuing short-term and long-term corporate bonds. Therefore, impacts from interest rate risk are kept at a limited and acceptable level.

Industrial real estate: The Company constructs and manages infrastructure and buildings and has both short- and long-term financial costs. Short-term costs can change according to fluctuations and long-term costs can benefit from an increase in interest rates, similar to real estate for sale. The Company manages risk by maintaining financial costs at suitable levels and keeping risk at acceptable levels.

Healthcare services: As customers in this business segment do not require lending, there is no significant interest rate risk for this segment. However, the Company continues to monitor any changes in factors that can affect customer decisions to prevent any potential risk.

2.2.4 Demand risk

In terms of demand, the Company has been affected by adjustments in interest rates, which caused customers to delay their decision to buy products and services. Moreover, financial institutions have tightened lending, impacting demand and supply in several businesses, such as real estate where some customers without a stable income are likely to be refused a loan. As a risk prevention measure, the Company focuses on a group of customers with potential to make installment payments. Despite higher interest rates and financial institutions' tightening policy, demand for housing and residential property exists. What has changed is customers' earning ability and lending banks' tightening policy. In response to this, the Company adjusted prices and forms of products to align with customer's reduced income. As some customers may have difficulty obtaining a loan from banks that have tightened lending, the Company has measures in place to help those with a low or unstable income who wish to buy a house but find it hard to obtain a loan in the present situation, by providing advice on making financial preparations before applying for a loan from a financial institution and facilitating customers whose loan has been approved by offering a ready-to-move-in option without having to get an additional loan for interior decoration in case of first-time house buyer with a poor credit score.

Industrial real estate: Real estate for rent for industrial customers experiences a risk from difficulty in obtaining loans as banks and financial institutions are more cautious and tighten lending. The Company manages this risk by finding customers with potential to rent without much reliance on credit

and by keeping a watch on businesses that banks are more willing to give loans to, as the Company will focus more on attracting this group of customers.

Healthcare services: The government's decision to reopen borders and the depreciation of the baht has had positive impacts on demand for healthcare services. To respond to customers visiting Thailand for healthcare tourism and those looking for longer-term stays in Thailand, the Company has analyzed the needs of high-potential foreigners who wish to reside in Thailand long-term to implement selling strategies that meet their demands, and design packages and promotions with a period of use and form of service suitably customized to their needs. The Company expects foreign customers to continue to increase vis-à-vis domestic customers.

2.2.5 Risk from currency fluctuations

The baht has depreciated rapidly recently due to concerns over a global recession which caused the US dollar to appreciate rapidly. Outgoing capital from the Thai financial market, especially from the Stock Exchange, and the spread of COVID-19 in Thailand and Thailand's current account deficit due to rising energy prices led to an increase in import costs. In addition, rising inflation amid a slow economic revival is affecting the baht. The baht is forecast to continue to depreciate, similar to other regional currencies. However, the Company's risk management plans which see business diversification across industries allow it to handle risk from currency fluctuations effectively. Moreover, the Company is keeping a close watch on currency fluctuations in order to set future goals and policies accordingly.

2.2.6 Liquidity and inventory risk

In conducting business operations, the Company monitors changes in inventory regularly. An inventory report is issued monthly to ensure the Company has adequate stock to meet customer demand. This information is also used for devising strategies to mitigate liquidity and inventory risk. In terms of financial liquidity, the Company complies with requirements on the rights and obligations of the borrower, e.g., maintaining the debt to shareholder ratio and the leverage ratio. Therefore, the Company has been able to manage liquidity risk effectively.

2.2.7 Risk from business competitors

The Company operates in multiple industries, each with different nature and intensity of competition. There are also industry-specific factors that affect competition. Therefore, the Company needs to consider competition risks based on business type. For the Company's healthcare services, some are listed in the Stock Exchange while others are not, there is a visible potential for growth in healthcare which has been positively impacted by the government's plan to make Thailand a medical hub. This has also led to more intense competition in the sector compared to the previous year. The Company has therefore increased advertising for this business, to make itself and the quality of its products and services known to target customers. Meanwhile, real estate development has been affected by reduced spending power of target customers. Meanwhile, real estate development has been affected by reduced spending power of target customers and tightening lending policy of banks, exacerbating

the already fierce competition in this sector and creating a challenge for the Company. In response, the Company has been even more careful in making real estate development plans and its strategy is to focus on developing products it already specializes in. For industrial real estate, some business segments have seen growth while others have experienced a slowdown in investment due to COVID-19. In response, the Company is engaged in price competition and offering promotions to maintain existing customers and attract new customers.

2.2.8 Risk from reliance on personnel with expertise

There have been changes in work ethic as people are looking for greater flexibility and more challenging opportunities when it comes to work. Post-pandemic, the Company may be experiencing a quick turnover among key personnel, which is a key factor affecting the quality of company products and services. The hotel industry, which employs the same personnel as the healthcare service industry, is back to business after the pandemic eased, resulting in a quick staff turnover. Meanwhile foreign customers are likely to increase due to Thailand's reopening policy compared to the previous period, hence a greater need for personnel with expertise in handling foreign customers who are increasing in proportion. The Company may therefore experience a risk from a mismatch between the demand for products and services from returning customers and the number of personnel ready to provide services.

For residential real estate, the Company's approach in personnel management is to outsource when it comes to labor-focused work that does not require specialization, such as general construction. For handiwork which tends to require experience, skilled workers are hired. The Company therefore maintains good relations with skilled artisanal workers or contractors to be able to contact and hire them when needed.

For this reason, the Company should prioritize personnel development to ensure smooth operations in businesses within the Group. To this end, it should focus on developing skills, knowledge and capacity, and promote cross-functional skills to enable staff to rotate among businesses with the Group.

2.2.9 Investment risk

The Company has invested in and expanded operations to businesses with potential and opportunities for growth in the future, where revenue and profit recognition has not occurred in the initial stage of investment. This, coupled with economic, political and social dynamic uncertainties, exposed the Company to obstacles and a hard-to-predict investment environment. Moreover, compared to competitors who are major players in the industry, the Company has relatively less experience in the businesses it has invested in, and its brand is not as strong compared to these competitors who have a larger budget to spend on marketing activities. Therefore, the Company needs to devise plans and strategies for this segment more carefully and focus on products and services that are of high quality and create a difference that represents the Company's and the brand's identity clearly, to align with expectations of customers and shareholders.

For this reason, the Company has created a strategy for collaborating with leading companies with expertise and experience in various areas, to boost its strengths in investment in terms of developing products and services of high quality and standards and setting itself apart in the industry. The collaboration also helps reduce the risk from uncertainties beyond the Company's control and allows it to develop expertise in areas it is not fully familiar with, enabling it to compete in the industry and preparing it to handle challenges in their investment.

2.2.10 Communications and public relations risk

The Company has invested in several businesses to diversify operational risks, reduce reliance on any one industry and generate recurring income. This is why communications and public relations activities are ever more important, especially in segments where the Company has increased investment. The Company needs to communicate with target customers to enhance their awareness of its products and services that present its value and identity. Several of its businesses work hand-in-hand with the well-being concept, creating an opportunity for the Company to boost its image and communicate with target customers so they recognize its core value that may differ from MK. Real Estate Public Company Limited, which customers may be more familiar with. Therefore, the Company has devised a communications and public relations strategy for its products and services suitable for this purpose, selecting communications channels, of which there are plenty nowadays, that suit target groups for each business segment.

The Company recognizes the importance of organizational risk management, taking into account the risks that affect the Company in general and specific risks that may affect operations in each business segment. It works with external experts to monitor and examine risk issues, both external and internal, and communicate these to create awareness of the risk within the organization. This has enabled the Company to manage organizational risks and set good standards for risk management, allowing it to have a clear direction for careful management and be prepared to respond for changes in the economy and other social dynamics as appropriate.

2.2.11 ESG risk

The Company continues to operate business under the well-being concept, meaning good physical health, mental health, environment and society for sustainable living for everyone involved, from within the organization to consumers and all parties in the business' chain of value, to promote environment, society and good governance. The Company has identified risks, impacts and approaches for risk management, as given below.

Environmental risk

The design of products and services, procurement of materials and development of construction areas all have environmental impacts, such as climate change, pollution which is harmful to health from construction which has environmental risk impacting nearby communities. Such is a relevant risk that can occur from the conduct of business. The Company is well aware of this and so has prepared approaches and measures to mitigate environmental risk, by strictly complying with environmental

regulations, designing projects with energy efficiency, using materials that save energy or use clean energy, and developing projects based on a concept that protects and revives the environment.

A waste management project is one of the projects that shows the Company's commitment for mitigating environmental risk. This project is a collaboration between the Company and the Department of Marine and Coastal Resources, managing floating waste by installing booms that prevent waste from floating out to sea which impacts the environment in a larger scale and collecting waste in rivers for proper treatment.

In addition to reducing environmental risk, the Company supports the reduction of environmental risk by organizing activities and raising awareness in environmental responsibility among company employees and nearby communities. It collaborates with government agencies and other organizations working in environmental conservation and follows up on outcomes of implementing environmental measures within the Company. It also analyzes causes of environmental problems and sets out to address them promptly, such as by implementing the solar energy project and the waste management project.

Social risk

Social risk in general includes human rights risk, employee relation activities, skill enhancement, workplace health and safety, customer relations, and responsibility towards company products and services. These are all factors that contribute to social risk which can affect the development and creation of values that enable the Company to achieve its goals sustainably.

The Company recognizes values and social impacts that affect the Company's sustainable growth, namely retaining employees with expertise and preventing conflict with customers and nearby communities. Therefore, it has supported social development in terms of personnel, customers, communities and society by ensuring proper protection and sufficient, fair living conditions for company employees, providing a platform for negotiations and free expression of opinions with collective interest in mind, creating a working environment that ensures good health, safety and hygiene at the workplace and offering training for employees to enhance their skills to be able to grow in their career equally and fairly.

In regard to social risk to customers, the Company designs projects with a concern for living quality for residents and reasonable prices, suitable to all age groups. It takes into consideration feedback from customers and improve or fix problems effectively. For communities and society, the Company promotes participatory development as appropriate to the economic, social and cultural context of a community, aiming to create a safe and livable society.

For communities and society, the Company promotes organic farming in the Bangkrachao area, which is a sustainable agricultural practice using participatory guarantee system in order for products to meet standards. It also supports farmers in the Bangkrachao PGS to work together in a group, for members to agree on conditions suitable for the area, which enables regular inspection of the manufacturing process so that consumers can rest assured in the safety of the products. Additionally, the Company finds markets for farmers to sell their organic products, so that participating farmers have a more stable source of income and work with other organizations to keep organic farming and tourism in the area afloat.

Governance risk

Government risk that may occur and be relevant to the Company includes having conscience and good conduct of the Company, shareholders rights, good internal audit practices, transparency in disclosure of information and auditors' independence. This risk may cause stakeholders to become misinformed, which affects the Company's sustainable growth.

The Company has measures to mitigate this risk and recognizes the importance of this risk that may occur. As a listed company, the Company has hired a certified auditor who has credible qualifications and is independent of the Company. In addition to an external audit, the Company has a robust internal audit practice, not as a separate activity but inherent in every work process. Because of this, stakeholders can rest assured that the Company's disclosure of information, internal audit measures and compliance with regulations is done properly.

2.3 Emerging risk and impacts

2.3.1 Risk from technological changes

The world of technology progresses non-stop due to number of factors, including customer demands and advancements in various sciences. This progress may improve how work is done and how services are provided. In general, the Company keeps itself updated with the latest technologies, whether for residential and industrial real estate and for healthcare services. It incorporates new technologies in company operations and sets up relevant working groups to review them in terms of credibility and applicability, to prevent risk from technology overuse.

For the healthcare services, with its strength lying in holistic preventive medicine, a combination between the latest medical technologies meeting international standards and holistic medicine, the Company manages risk from technological changes by collaborating with VitalLife Scientific Wellness Center, Bumrungrad Hospital, for management of personnel, medicine, medical supplies and equipment, using new technologies to provide services in keeping with the constant innovation of technologies.

2.3.2 Risk from cyber threats

Digital transformation increasingly exposes businesses to cyberattacks, one of the major threats faced by many business operators without proper security in place. This can lead to financial loss caused by incidents such as ransomware, or Denial-of-Service (DDoS) attack, which can impact business operations or cause a loss of business opportunity, as well as damaging brand image and consumer confidence.

The Company is well aware of the risk from cyber threats and has put in place "a policy for IT security" approved by high-level management to be strictly implemented. The Company has also benefited from cloud security which has a robust standard. It also mitigates risk by regularly backing up data to prevent risk from data loss. Moreover, the Company conducts an IT audit annually to ensure comprehensive security covering the entire information technology network across the Company, as the forms of cyberattacks are ever-evolving.

3. Driving business for sustainability

3.1 Policy and goal of sustainability management

In the past, the Company and its subsidiaries operated business under the concept " We Build A Place Of Family Togetherness ". Then, for more coverage, this concept extends to " Well-Being " which means staying physically fit, good mental health, and healthy environment and good society for sustainable happy living to stakeholders with beginning from inside organization that treat employees like family members, has good working environment and pass on this idea to consumers though process of determination to develop the Company's products and services continuously.

In addition, the Company and its subsidiaries realize the importance and responsibilities to society and community, including continuous care for the environment focusing on building good relationship and taking into account the impacts that may have on shareholders, employees, communities, customers, business partners, government agencies, as well as society and the nation. The attitude and corporate culture are cultivated in order for employees to have social responsibility that coexist as main mission to create projects and activities that are beneficial o development of society and communities. Thus, the Company establish sustainable business policy to promote Environment, Social, and Governance (ESG)

The Company and its subsidiaries have been real estate development company for sales, rent and service and remain committed to operating the business for sustainable growth as a leading property developer with the goal of operating business that create social, economic, and environmental value under corporate governance and good governance. The Company is committed to conducting business with responsibility towards communities, society and the environment. It joined the UN Global Compact, an initiative whereby companies are encouraged to come up with strategies and approaches that will lead to economic sustainability based on 10 universal principles. This initiative is known globally, extending cooperation between companies, large and small, in all sectors, to join forces to create a better world. The UN also announced Sustainable Development Goals – SDGs, adopted by the global community as a framework for development. Of the 17 goals, the Company has implemented nine, namely (3) promoting well-being for all (4) promoting inclusive and equitable education and lifelong learning for all (6) ensuring availability and sustainable management of water and sanitation for all (8) promoting sustained, inclusive and sustainable economic growth and decent work (9) building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation (13) taking urgent action to combat climate change (14) conserving and sustainably using the oceans and marine resources for sustainable development (15) protecting, restoring and promoting sustainable use of terrestrial ecosystems, and (17) creating the global partnership for sustainable development. These goals are compatible with the Company's mission and operational plans.



The Company has established Sustainability department to conduct review of practical guidance for issues related to sustainable development under the slogan " Sustainability is our DNA " in operating business in accordance with the specified goals and core mission of the Company operation which is the Sustainable Development Goals (SDGs) of 17 topics set by the United Nations. The Company foresees that it can participate in driving various issues as follows:

Sustainability	Guidances	SDGs
Environment	<p>Regulation compliance</p> <ul style="list-style-type: none"> Comply strictly with regulations related to environment <p>Resource utilization</p> <ul style="list-style-type: none"> Design the project to use energy efficiently Plan to use resource efficient in construction Use energy saving material and equipment Support clean energy using <p>Environment impact protection</p> <ul style="list-style-type: none"> Choose to develop projects on non-destroy environment area Study and assess impact to environment before construction Develop projects with concept of ecosystem protecting and restoring Manage waste correctly that does not destroy environment <p>Development and improvement environmental management</p> <ul style="list-style-type: none"> Choose environment friendly building material Develop and select environmental friendly construction process <p>Supporting environmental activities</p> <ul style="list-style-type: none"> Organize activities and public relation to motivate environmental awareness Cultivate environmental awareness to employees and communities Cooperate with government agency or other agency in promoting environmental conservation <p>Monitoring and evaluation</p> <ul style="list-style-type: none"> Study and follow up the environmental measure result Analyze data to find the root cause and solve directly Listen to complaints and ready for improvement urgently 	

<p>Social</p>	<p>Treatment of employees and workers</p> <ul style="list-style-type: none"> ● Provide employees and workers with appropriate and adequate social protection for their living fairly without discrimination ● Arrange negotiation and independent opinion with consideration for common interest ● Build work environment that take into account of health, safety, and occupational health in workplace ● Develop employees and workers to have skill and career path growth equality and fairly <p>Treatment of customers</p> <ul style="list-style-type: none"> ● Design project to promote good health physically and mentally for residents ● Design project by taking into account all groups of residents, including children, the elderly, and the disabled ● Develop project for people to access to quality housing at reasonable prices ● Listen to customer feedback and ready to improve quickly and efficiently <p>Treatment of communities and society</p> <ul style="list-style-type: none"> ● Strengthen participation for community development in accordance with community context, economic, social, environmental, and culture ● Strengthen community in promoting education, community culture and good health in the community ● Build safe and livable community and society ● Provide accurate information, build understanding, and listen to the problem 	
<p>Economic</p>	<p>Promoting economic security</p> <ul style="list-style-type: none"> ● Operate the business for sustainable growth ● Distribute income and employment to society ● Promote career advancement ● Set appropriate goals for the Company and subsidiaries ● Pay taxes correctly and completely <p>Innovation and sustainable development</p> <ul style="list-style-type: none"> ● Support research and development of product and service to be up to date ● Manage business according to changing trend of industry ● Support research to improve the construction process ● Promote use of technology and knowledge in operation 	

3.2 Stakeholder impact management in business value chain

3.2.1 Business value chain

To create long-term competitiveness, the Company and its subsidiaries are committed to create value for products and services in order to meet the expectation of key stakeholders involved in business operation from upstream to downstream which can be identified as the Value Chain as follows:

1) Primary activities

The main activities which are operation from land acquisition, construction design until the delivery of products and services to customers consist of 5 activities as follows:

(1) Inbound logistics

- Potential land procurement

The Company begins by considering the potential land in which the location on the route close to public mass transit, has public utilities support, near the old projects where the Company has customer base, and expand into new locations with high potential, such as Rangsit-Nakhon Nayok. In each land acquisition, it must be approved on land purchase from various departments in careful consideration before investing to get land at reasonable price and quality.

- Project feasibility study

After the Company has received the information of potential land, the Company has to study the feasibility of every project, including engineering, layout, targeting, competitor analysis, value of investment, return and risk, financing, as well as related legal and regulation to make investment in every project to receive return according to the Company's goal. The Company also has full of personnel with experience and expertise in every field.

- Contractor and construction material selection

The Company selects contractors through regulations and procedures by considering skilled contractors who are experienced and ready to invest. Most of them are sub-contractors who have consistently good performance and have work together for a long time. This makes it possible to maintain quality work and deliver it on schedule, which is one of the Company's strength.

For building material used in the project, the Company has assigned the project contractor to do the procurement directly for flexibility and efficiency in work, except some building material that are expensive or need to be used in large quantities or to control the quality and style to meet the standard required by the Company, the Company will do by itself. This gives the Company advantage in cost management of building material from large purchase.

- Appropriate financing preparation

In order to achieve the worthy return, appropriate financing is essential. The Company has policy to use various fund from internal cash flow, bank loan, and issuing debt as funds for various projects in proper proportion to achieve the lowest finance cost at controllable risk level. From gradual management policy, the management has policy to maintain debt to equity ratio (D/E Ratio) not to be too high in handling crisis.

(2) Operations

■ Construction quality controlling and inspection

The Company pays attention to the quality control and inspection during construction and after construction complete. It makes the quality and duration of the project as planned and it is effective project cost management, and also able to deliver work to customers without problems until being accepted by customers for a long time.

In the meantime, the Company also pays attention to reducing the impact on the environment, increase safety to personnel and communities, comply the law and various related licenses applying strictly, including taking care and promoting activities with communities nearby the project in accordance with sustainability policy.

(3) Outbound logistics

As most customers look for a home of which construction has been completed or nearly completed, which does not require down payments, the Company begins selling houses when construction is nearly completed. It will then offer potential buyers opportunities to reserve a home and prepare financial evidence to get pre-approved by a bank for a loan. Once the loan has been approved, the customer's reservation will go through, and they will be able to sign an agreement and transfer ownership as the next steps. Salesman will take care and answer any queries to the customer throughout the period before ownership transfer.

After the construction is completed if there is any damage, the Company will be responsible for any fix and repair before delivering.

(4) Marketing and Sales

The Company uses direct sales to customers by selling through the sales office of each units and head office, including digital marketing to increase the reach of new customers on various social media, such as facebookfanpage, instagram, line @, youtube and TIKTOK etc.

(5) Customer services

The Company's business is not just covered by ownership transfer but the Company also continues to expand its services including organizing customer relation activities and after sales service via mobile application channels for both IOS and Android systems, with the emphasis on the villagers in organizing after sale activities under concept "Munkong Family" to build relationship in the cohabit of family and impressive community which will be built to be strong customer base of the Company in the future.

2) Support activities

In order to run business smoothly, it is imperative that the Company must have effective support system, including procurement, technology development, human resource management, and infrastructure that will enable the main activities to operate smoothly. Currently, the Company has given great importance to it. There is continuous investment and technology that play key role in operation in all sections which help to save cost, reduce working time, and more productive work.

3.2.2 Stakeholder analysis of business value chain

The Company gives importance to all groups of stakeholders, whether internal or external. The policy is to meet the expectations of the stakeholders as follows:

Stakeholder	Stakeholder expectation	Stakeholder expectation responsiveness
Stakeholders inside the organization		
Shareholders	<ul style="list-style-type: none"> ● Sustained growth performance ● Receive adequate and timely information ● Operate by corporate governance principles 	<ul style="list-style-type: none"> ● Full, transparent, and equitable disclosure of business information ● Manage Company's resources prudently and worthwhile
Employees	<ul style="list-style-type: none"> ● Quality life of employees ● Stability and growth in career ● Fairness in operation ● Health and safety 	<ul style="list-style-type: none"> ● Create good working environment ● Support potential, stability, and growth in career with growth of organization sustainably ● Treat equally and fairly
Stakeholders outside the organization		
Customers	<ul style="list-style-type: none"> ● Receive quality product and good service ● Fast and attentive after-sales service ● Quality complaint management 	<ul style="list-style-type: none"> ● Continuously develop products and services to be high quality and up to date ● Keep customers confidential ● Manage issues quickly and efficiently
Suppliers	<ul style="list-style-type: none"> ● Fair and transparent procurement ● Comply with contract agreement 	<ul style="list-style-type: none"> ● Follow framework for purchasing goods and services honestly ● Treat suppliers in accordance with good corporate governance principles ● Evaluate fairly
Community	<ul style="list-style-type: none"> ● There are safety measures ● There are pollution prevent measures ● Good quality of life of surrounding communities ● Responsible to society and environment 	<ul style="list-style-type: none"> ● Build good relationship with community ● Promote development of better quality of life in community ● Comply with social and environmental laws
Government agency	<ul style="list-style-type: none"> ● Comply the law ● Cooperate in information delivery ● Transparent and verifiable information disclosure 	<ul style="list-style-type: none"> ● Anti-corruption ● Good corporate governance ● Compliance with related laws and regulations

3.3 Sustainability management in environmental dimension

3.3.1 Environmental policies and practices

The Company and its subsidiaries realize the importance and responsibility toward the environment and take into account the impact that may have on shareholders, employees, communities, customers, suppliers, government agency, as well as society and the nation. The attitude and corporate culture are cultivated to make employees responsible for the environment until it is considered as the main mission to create projects and activities that are beneficial in development of environment.

The Company and its subsidiaries have clear environmental policy and strict practices, such as measures to reduce environmental impact in all activities to preserve the ecosystem and environment of communities where the Company operates, including the creation of corporate culture and cultivating the consciousness of employees to move toward the green culture and sustainable green network, taking into account the impact on natural resources, environmental conditions, and public benefit. No cost saving without considering well-being of the whole society and participate in projects that help uplift the communities where the Company operates.

The environmental measures that the Company has implemented are as follows:

The rules compliance	:	The Company strictly complies with all environmental laws and regulations in every process, both at office and Company's projects, including control and monitoring of impacts that occur from the beginning construction until after the construction is completed.
Resource use	:	The Company started by designing projects in form of supporting energy reduction and promoting the use of renewable energy and committed to campaigning for employees and workers to use water and electricity economically, use standard equipment, save energy, long use life, including promoting the use of clean energy.
Environmental impact protection	:	The Company have measures since before the construction by designing construction plan which is environmental friendly, build the dam in front of project near river and canal to prevent soil erosion, spraying water to reduce dust, inspecting machine regularly to reduce soot, noise, and vibration, controlling construction hours not to interfere the rest period of community, managing waste and waste water efficiently which does not cause bad odor and reservoir for germs.
Environmental management development and improvement	:	The Company is committed to develop, improve, and enhance environmental management through various processes of business whether study and choose material that do not destroy the environment, developing, and selecting environmental friendly construction process.
Environmental activities promotion	:	The Company has policy to instill awareness among employees in the organization, including community, to understand and see the importance of environmental protection through organizing activities in various forms for sustainable long-term living with environment.
Monitoring and evaluation	:	The Company will monitor and evaluate the results of environmental measures and measure the results both in term of quality and quantity to use such results to analyze the root cause of the problem and solve it accurately.

In 2022, the Company aimed to pay more attention to the environment in its business operations. It is currently studying renewable energy use and has installed solar panels at various locations, including the head office and other property projects. It also began collecting data related to energy and water use and waste volume, installing measuring devices for dust, noise and vibration and hiring experts to advise on greenhouse gas emission assessment. The data are then used to analyze and identify causes in order to find measures and policies to reduce impacts in the future. In addition, the Company planned to hold environmental campaigns to raise environmental awareness in communities and society at large.

3.3.2 Environmental implementation result

From various measures that the Company and its subsidiaries have implemented in the past, the environmental result can be summarized as follows:

1) Energy management

The Company has policy to design the project by positioning and directing to suit the climate and environment, benefit from natural wind and light, help to make air inside the house well ventilated and proper light to help residents to save energy with confirmation awards for the best energy conservation housing project of the year 2018 from the Department of Alternative Energy Development and Efficiency (DEDE) from submitting "ChuanChuen Prime Bangkok-Pathumthani" project to participate in contest.

In addition, the Company has also implemented energy-saving actions within the head office, such as turning lights and electrical equipment on and off for a period of time, using LED bulbs instead of conventional light bulbs, choosing a standard and energy-saving electrical appliance.

The Company also used renewable energy to become more eco-friendly by installing solar powered streetlights in the Chuanchuen Prime Ville Bangkok-Pathumthani Project. It also continues to learn more about renewable energy sources and aims to install solar panels for electricity generation at company premises. Several company locations are now ready for solar panel installation, including the head office, the RAKxa Wellness Center and communal areas in various property projects.

In the past, the Company does not have measures to record and track the energy consumption according to its various projects. Therefore, the Company is unable to analyze the results concretely. However, in order to manage energy efficiently. The company plans to begin collecting and tracking data more systematically in the coming year.

2) Water management

The Company choose, install, and use the standard water supply system, including choosing to purchase sanitary ware that has " Green label " for use in head office and the Company's projects to ensure the use of water economically and efficiently.

In the past, the Company have not had measure to record and monitor water usage information in various projects, so the Company has no clear comparative data for analysis of water consumption. However, the Company plans to start measure to collect and monitor the water usage, including analysis of ways to save water in the future.

3) Waste and pollution management

The Company has systematic management of waste in business operation as required by law. They also constantly monitor construction pollution from garbage, waste water, dust, smell, noise, light, and vibration. Various complaints came and the Company take corrective action in timely manner which make residents and surrounding communities satisfied.

In addition, in organization, the Company has waste management program with 1A3R strategy consisting of Avoid, Reduce, Reuse, and Recycle which is implemented by MK Waste Free Project in collaboration with Trash Lucky, organization for waste management properly. This program is to promote knowledge about correctly recycling waste classification for employees and use the waste in the Company to generate the highest benefit which emphasize on the waste material separation from consumption since the upstream into proper recycling process. It also cooperates with nearby communities in waste management along with continually organizing campaign activities to encourage waste separation habits, and these waste will be sent to the factory to go into recycling process to produce various material or products for reuse again more than 700 kilograms.

The Company previously set up a committee to oversee implementation of the Green Growth policy. It has a plan for proper waste reduction and management and documents the volume of waste generated by department and how it is managed. Over the past year, the Company generated waste totaling 6,000 kilograms: 50% of this is general waste, 20% recyclable waste and 30% other waste. The Company plans to continue implementing this and to collect data for managing other pollution problems to analyze and find measures to address them in the future.

4) Greenhouse gas reduction management

At present, the Company does not have policy to prepare data on greenhouse gas emission. However, the Company is in beginning of such data preparation which may hire the expert in review and certification that are reliable enough for using in analyze and look for measures to reduce greenhouse gas problem and conserve the environment.

Other environmental sustainability activities

Moreover, the Company also participate in promoting environmental conservation. In 2022, the Company has promoted environmental conservation activities as follows:

(1) Managing waste with booms

Since 2020 - present, M.K. Real Estate Development Public Company Limited has formed an alliance with over 10 organizations, including the Department of Marine and Coastal Resources, the Ministry of National Resources and Environment, Bang Nam Peung Community, Chak Daeng Temple, PTT Exploration and Production Public Company Limited, PTT Global Chemical Public Company Limited, Chevron Thailand Exploration and Production Limited, Blue Carbon Society and Siam Cement Public Company Limited, to manage waste in rivers, using booms to prevent waste from floating out to sea in seven coastal cities including Chon Buri, Rayong, Phetchaburi, Song Kla, Surat Thani, Krabi and Pang Nga, on World Oceans Day in 2020. The Company has

kept this project running in the Bang Krachao area until now. Recently it was honored with a reward for its devotion and contribution to the conservation of marine and coastal resources for public benefits on World Oceans Day, under the theme of "Revitalization: Collective Action for the Ocean."



(2) Planting event to mark 2022 National Tree Day

M.K. Real Estate Development Public Company Limited participated in a planting event to mark the 2022 National Tree Day at King Rama 9's 80th Anniversary Chaloem Pra Kiat Park, Song Khanong, Phra Pradaeng, Samut Prakarn Province. The event was attended by some 200 participants, among them chiefs of government offices, employees of local government offices, students, private companies and the general public. The aim was to alert the public to the importance of the protection and recovery of the forest, which is a national resource - a planting of trees in the heart of the public. The project also aimed to prevent and minimize effects of climate change and global warning and reduce pollution from dust and smoke.



3.4 Sustainability management in social dimension

3.4.1 Social policies and practices

The Company and its subsidiary realize the importance and responsibility that they have to society and community continuously, focus on building good relationship and taking into account the impact that may have on stakeholders inside and outside the organization. The attitude and corporate culture are cultivated in order for employees to have social responsibility that coexists. It is regarded as the main mission to create projects and activities that are beneficial to the development of society and community.

The Company has the policies to operate business with social responsibility as follows:

Treatment of employees and workers	:	The Company places the importance to basic human right, no discrimination, promote equality, no discriminate in gender and classes, develop human resources for sustainable growth, have career advancement, since creation of working value from cultivating the employees with concept of growth mindset, creating work environment that stimulates creativity, training employees to be professional, including regular survey from employees, have measures for safety from accidents and strict about sanitation in order to prevent the formation and spread of diseases.
Treatment of customers	:	The Company is committed to develop quality products at reasonable prices and promote the livelihood of the residents in physical and mental health for all groups residents, and also open to listen opinions of customers with service to resolve problems with speed that customers satisfy.
Treatment of the community and society	:	The Company will consider the needs of the community, promote personnel to learn together, partner with local stakeholders around the Company in development of education, culture, society, and contributing to improvement of the quality of life in community, along with promoting and encourage employees to participate in volunteer work and public benefit activities with the community.

In 2022, the Company continues to focus on operating business along with development of society for employees, customers, society, and communities. The Company still support equality, personnel development, safety, and physical and mental health. The Company plans to improve the assessment of satisfaction and complaints of society in all sectors to be more comprehensive in all dimensions to analyze, solve problems, and develop society effectively. In addition, the Company also has the policy to organize activities to promote good health for society and communities.

3.4.2 Social implementation result

(1) Employees and workers

The Company adheres to the principles of human rights from hiring to taking care of employees and personnel in order to make all employees and personnel feel like a family with organization. In 2022, the Company has implemented about employees as follows:

Employment

The Company complies with the human rights policy, promote equality, no discrimination by providing opportunities for people in all genders and ages to be able to work in the Company according to their abilities and suitable for nature of work without any hindrance. In 2022, the Company has similar proportion of male and female employees as follows:

Detail	Number of employees (persons)	
	Male	Female
Permanent employee	367	423
Yearly employment contract	41	34
Total	408	457

Moreover, the Company aspires to improve the living standards of persons with disabilities and encourage them to find work, which will allow them to support themselves financially. In compliance with Empowerment of Persons with Disabilities Act B.E. 2550 (2007), the Company has employed six persons with disabilities and seven elderly persons in several departments, who receive the same treatment and benefits as other employees as required by the law.

Considering the age range of employees in the Company in 2022, it can be seen that the proportion of employees in each phase is similar as follows:

Age range	Quantity (persons)
Lower than 29 years	269
30 - 39 years	292
40 - 49 years	213
More than 50 years	91
Total	865

Employee training

Due to the situation of the Covid 19 epidemic in 2022, it has been severe and spread widely. As a result, training both inside and outside the organization had to be stopped for a long time. The number of employees who have been trained to improve their skills is also small. During May, the situation is getting better. Therefore, the company has trained within the organization again. When various training institutes start to organize training, the company has sent employees to train as

well. An employees's average training hour in 2022 is 11 hours/person /year. The details are as follows.

No.	Course name	Participants (persons)
Internal Course		
1	OKRs as key business driver	34
2	Construction management for construction business and purchase requisition (PR)	55
3	Excellent service	46
4	Organizational risk management	23
External Course		
1	Tax accounting essentials for accountants: a comparison of accounting and tax principles	1
2	In-depth look into and approaches for asset accounting and depreciation in accounting standards	1
3	PACK 5 – Financial consolidation in accordance with financial reporting standards	2
4	TFRS 16 – Lease agreements and deferred tax	3
5	Summary of key issues and problems found when implementing TFRS 9, TFRS 15 and TFRS 16	2
6	Tax on foreign remittances as a system	2
7	Accounting practices per significant accounting and financial reporting standards	1
8	Inventory accounting, issues in stock-taking, preparation of reports on products and raw materials and correct accounting practices	2
9	Analyzing foreign exchange risk management	2
10	TLCA CFO CPD No. 1/2022, on "Improving Financial Reporting Standards for Companies Listed in Thailand"	1
11	TLCA CFO CPD No. 3/2022, on "PDPA for Accounting and Finance"	1
12	TLCA CFO CPD No. 5/2022, on "Restructuring Business for Growth"	1
13	Fire drill	50

Safety, occupational health, and working environment

The Company realizes the importance of creating a culture of safety in the organization and seeks to build a working environment that ensures safety and facilitates work processes. No work-related injuries were reported in 2022, as the Company has established accident prevention measures in construction sites and implemented them strictly. In addition, it organizes a fire drill annually, attended by all employees. It also encourages employees to maintain good health, which will make them happy and perform well at work. Moreover, the Company actively encourages employees to receive a vaccine booster dose in line with the government's policy.

The Company emphasize on offering suitable compensation and welfare benefits for employees by establishing a welfare committee consisting of 5 employees. Representatives in order to

discuss and offer advice to the Company regarding reasonable and beneficial welfare arrangement.

Safety measures in construction sites

The Company has set rules and regulations in the construction area to reduce the risk of accidents, such as:

- Do not bring or carry weapons into the construction area
- Do not bring liquor and drugs into the construction area
- Do not allow people who are inebriated or in state of imprisonment to work in the construction area
- Must dress properly, correctly, according to requirement of work clothes with personal safety device in every work
- High risk work, such as works that generate heat and spart, confined space work, high altitude work, the permission is required before every work
- Heat and spark generating work must have fire extinguishers in working area every time
- Do not work in area with insufficient lighting
- Must enter-exit through the entrance-exit door provided only

Prevention measures of COVID-19

During the epidemic situation, the Company places importance to safety of its employees. The Company has established policies and various measure to prevent such spreading, such as:

- Educate employees through video clips and other media about virus and how to cope it
- Limit external people in allocated area without entering to the office
- Wear surgical mask and wash hand with alcohol gel before going up to the office building
- Check the temperature before go up to building, if the temperature is higher than 38 degrees, it is not allowed to enter the building
- Prepare alcohol gel and alcohol spray at various places
- Regularly clean common points of contact, such as passenger lifts, door handles, with alcohol
- Regularly clean interior and exterior of building, including regular passenger cars
- Employees who have fever, cough, sore throat, runny nose, difficulty breathing must stop working and must obtain medical certificate before returning to work
- Install air purifiers at various points

- Let employees work from home
- Allow employees to finish work earlier to reduce congestion on the way back to the accommodation by public transport.
- All employees are required to take test by the Antigen Test Kit (ATK) every week.
- Allow employees to overlap their lunch breaks according to time intervals for spacing and reducing staff density on each floor

Activities for employees to take test by Antigen Test Kit (ATK)

Due to the ongoing situation with the spread of the COVID-19 virus and the proportion of people who have been vaccinated has increased, including various measures of the government sector began to relax more. Therefore, the company requires employees to undergo the Antigen Test Kit (ATK) testing by professional nurses before going to work at the office building every week.

Employee engagement

In 2022, the situation of the Covid-19 epidemic has become severe and spread widely since January, causing all related activities to be suspended for the safety of all employees. The company allows employees to work at home according to the BCP plan and set various measures.

The Company has not conducted an employee satisfaction or feedback survey recently. However, to maintain a good working environment and retain capable employees, the Company plans to conduct an employee satisfaction survey in 2023 to gather their feedback on career advancement and factors related to quality of life at work. This information will help formulate the Company's personnel development policy in the future.

(2) Customers

MK Real Estate Group is committed to improving its products and services to deliver to customers. This is why customer satisfaction is paramount and satisfaction surveys are routinely conducted. For example, real estate development for sales conducts this survey after ownership transfer is completed, and the information collected is then used to improve products and services. For the healthcare services, the RAKxa Wellness Center conducts this survey when a customer is receiving a service, to analyze and assess its operations and improve the quality of its services. Customer feedback and suggestions will be summarized and shared with operatives for future improvements, with an aim to give customers maximum satisfaction so they become repeat customers.

(3) Community and society

The Company operates its business with responsibility toward the community and society by focusing on reducing environmental impact and avoiding activities that may have negative impact on the quality of life in communities surrounding the office and projects. In 2022, no complaints from the community were found on social or environmental issues.

In addition, the Company also takes part in improving the quality of life and promoting participation with employees and community. In 2022, the Company has activities as follows:

1. Establishing Bang Kachao Community Enterprise for organic farming

Since 2020, M.K. Real Estate Development Public Company Limited and the RAKxa Wellness Center have engaged in the Bang Kachao PGS Organic Farming project, with partners including Kasetsart University Bang Khen Campus, the National Research Council of Thailand, Sam Pharn Model, OUR Khug Bangkachao and local government offices. The aim of the project is to promote organic farming as well as food security and safety. For three years since its start, the project has over 30 members, encompassing farming land of over 500 rai. It generates income of approximately 18,000-25,000 baht per month to local farmers. Not only does it promote productivity, but according to its action plan the project will also aim to build agrotourism that connects consumers and farmers together, pushing for access for the former to visit, learn and buy from the latter without relying on middlemen. It also aims to support farmers, especially in regard to advertising and selling channels of organic products, to create a sustainable organic farming community.



2. House improvements for safety for elderly residents in Bang Kachao

The Company is committed to the idea of “well-being” which forms the core of its sustainability operations, to promote quality of life in communities. For this reason it has continued to conduct house improvements for elderly residents in the Bang Kachao area. The aim of the project, now in its third year, is to promote quality of life, well-being and fundamental safety in daily life for the elderly in Bang Nam Peung, Phra Pradaeng, Samut Prakarn.

BeforeAfter

3. Waste management project: donating food waste compost machines to Chak Daeng Temple

A waste management policy implemented since 2020 reflects the Company's commitment in this issue. The Company has worked with the public sector, communities, and the private sector in Bang Kachao to collect, sort, recycle and treat waste properly and effectively, so each type of waste can be reused accordingly. In 2022, the Company and the RAKxa Wellness Center donated compost machines to Chak Daeng Temple, to turn food waste into fertilizer to be distributed among communities in Bang Kachao. It also hosted a workshop on waste management at Chak Daeng Temple, Song Khanong, Phra Pradaeng, Samut Prakarn for management and employees. Knowledge in this training can be applied to the implementation of the project; for example, 1. Sorting of plastic bottles to send to the temple, which will then turn them into plastic fabrics and upcycle them into various products, 2. Sorting of paper to send to SCG Packaging (SCGP), exchanging it for A4 paper to be used in the project, and 3. Sorting of food waste to send to Chak Daeng Temple to make fertilizer to be distributed in Bang Kachao communities.



4. Health promotion campaign for community well-being

With an idea to bring well-being to society and nearby communities, the Company and its subsidiaries hosted a campaign to promote physical and mental health as well as good environment for nearby communities. Over the past year the Company sponsored a sports day event for the Bang Nam Peung Subdistrict Administrative Organization. The aim of the event is to elevate living quality for the youth and the public, encourage them to spend time on a beneficial activity, strengthen relationships in the community, promote health by means of exercise and prevent drug abuse problems.



5. Children's Day event

On 8 January 2022, Prospect Development Company Limited, a subsidiary engaged in the development and management of factories and warehouses for rent in the Bangkok Free Trade Zone, supported a Children's Day event by sending gifts to a total of 15 nearby communities.



6. Blood donation events

The Bangkok Free Trade Zone, in collaboration with the Blood Donation Center, Thai Red Cross Society, organized a total of four blood donation events to help fellow human beings in 2022, on March 23, June 23, September 22 and December 22. During the event, a blood donation station was set up in the Bangkok Free Trade Zone, and public announcements were made to invite business operators both in and outside the zone and the general public to take part. A total of 386 donators participated in the events, and 386 units of blood were collected.



7. Donation for stray dogs and cats at Baan Saeng Tawan

Prospect Development Company Limited donated food and essential supplies for stray cats and dogs at Baan Saeng Tawan, Nakhon Chai Si, Nakhon Pathom, on June 24, 2022.



4. Management Discussion and Analysis (MD&A)

4.1 Operations and financial status

(1) Overview

Although economic recovery remains precarious and some of the MK Group's business segments have yet to meet their revenue target, it has become clear that its revenue restructuring plan which has been implemented for some time has significantly reduced the impact of negative factors that have arisen. The MK Group continues to implement this plan to reduce operational risk and generate long-term recurring revenues. While the revenue restructuring plan is in process, the MK Group invested in creating new businesses while simultaneously maintaining the growth rates of real estate development, which remains its main business segment. As a result, selling and administrative expenses and financial costs increased, causing the MK Group to suffer a net operating loss of 35.83 million baht in 2022. The ratio of gross profit from businesses with recurring revenues and service revenue to total revenues (excluding revenue from sale of undeveloped land) as at the end of 2022 amounted to 43.8%, an increase of 4.5% from that as at the end of 2015. Due to the slowdown in the real estate market and impacts from COVID-19, the Company held off on launching new projects and adjusted its marketing strategy to better align with consumer behavior in the New Normal. At the same time, the Company proceeded with its plan to increase the revenue share real estate for rent and services, for long-term stability.

(2) Operating performance and profitability

In 2022, the Company recognized total sales and service income of 2,306.23 million baht, a decrease of 633.11 million baht or 21.54% compared to the previous year. The Company had gross profit of 858.80 million baht or 37.24% gross profit margin, increase from last year of 19.33% gross profit. The main businesses operated by the Company and subsidiaries consisted of :

A. Property development business

In 2022, the Company generated revenue from real estate sales amounting to 1,790.54 million baht, a decrease of 690.60 million baht or 27.83% compared to the previous year. With the COVID-19 situation easing and the disease became an endemic, the economy started to recover from the previous year. However, most of the Company's products are townhouses within a price range of 2-3 million baht, the target of which is a vulnerable group with high household debt, meaning they may require some time to pay off their existing debt before buying residential real estate which is a long-term debt. The Company therefore put off investing in new projects for the time being to reduce risk, and instead focused on maintaining liquidity by selling land with no imminent development plans. In addition, the Company exercised caution in managing inventory, for optimal liquidity. Although no new projects were launched this year, the Company continued to develop houses in existing projects that catered to the demands of the present-day customers and allowed it to remain competitive in terms of value-for-money and price. Further, in 2023 the

government continues to offer a real estate relief package, including the reduction of transfer fee from 2% to 1% and of mortgage fee from 1 % to 0.01% for purchases of residential property of less than 3 million baht. This package, coupled with service sector revenue from foreign tourists in 2023 which is expected to grow significantly and boost the economy further and policy interest rate which is expected to see a slight increase, will help vulnerable customers to recover their earnings and regain their confidence in purchasing residential property.

Property development business for residential recorded a gross profit of 668.26 million baht this year (gross profit margin of 37.32%), an increase of 222.60 million baht from gross profit of 445.66 million baht (gross profit margin of 17.96%).

B. Industrial real estate development business

MK group has revenue from industrial real estate development amounting to 458.37 million baht this year, an increase of 25.99 million baht or 6.01%. This consisted of revenue from rent and services amounting to 340.11 million baht, a slight decrease from 341.33 million baht in the previous year. This is because rental business took a big hit as a result of the pandemic in the beginning of the year. However, in the last months of the year tenants started to return and entered into rent agreements. As at the end of 2022, MK's space for rent amounted to 253,855 square meters. Moreover, MK group had revenue from real estate management, which went up to 118.26 million baht this year, an increase of 30% from 91.04 million baht revenue in the previous year. In total, industrial real estate development had a gross profit of 285.69 million baht (gross profit margin of 62.33%), an increase of 55.92 million baht from a gross profit of 229.77 million baht (gross profit margin of 53.14) in the previous year.

C. Holistic Health and Wellness Business

The company continues to operate according to the strategic business development plan for sustainability of the group of companies. that focuses on balancing profits between businesses for sale with business for rent and service holistic health business recorded a revenue of 57.32 million baht this year, an increase of 31.50 million baht or 121.98% from the previous year. It can be seen that the number of customers in the holistic health and wellness business tends to grow gradually, significantly compensating fixed costs. However, while the economy is recovering, negative factors exist, domestically and internationally, which affect living costs and cause a spending slowdown. Therefore, the sales target has not been met, while the Company continues to recognize fixed costs and expenses from depreciation of the property and equipment, as well as costs of personnel hired to make sure services are available when needed. For this reason, the Company recorded a gross loss amounting to 95.15 million baht (166%), although such loss decreased by 12.02 million baht compared to the previous year. Furthermore, the Company was making preparations to launch another holistic health and wellness center in Sam Pran District, Nakohn Pathom, which is expected to begin providing services in the first quarter of 2023.

In addition to revenues and expenses from each business, MK Group had a profit from sale of investment and investment revenue amounting to 70.84 million baht, a decrease of 226.49 million baht or 76.17% from the previous year. The decrease was because in the previous year the Company recognized a profit from the sale of shares in Munkong Living Company Limited amounting to 272.1 million baht. In 2022, the Company also sold a piece of land with no imminent development plans and some part of its assets. Meanwhile other income amounted to 185.34 million baht, an increase of 100.66 million baht or 118.88% from the previous year, mostly from fees from construction management and building repairs for tenants.

Selling and Administrative expenses

Selling and administrative expenses and financial costs of the MK Group increased due to investments made to create new businesses per its revenue restructuring plan. As a result, selling and administrative expenses in this year amounted to 1,013 million baht, an increase of 203 million baht or 25.09%

Finance cost

Finance costs increased by 121.38 million baht or increase of 25.42 % compared to the previous year due to the current situation of it requires investment to develop a health business. The Company group believes that if the situation of the Covid-19 virus is passed, there will be a change in consumer behavior. There will be a tendency to take more preventive health care. As a result, health service businesses will be in greater demand, including investment in industrial real estate development business which has a satisfactory growth rate. In addition, the Company group emphasizes on maintaining liquid assets to hedge against economic volatility rather than reducing debt by a ratio. Interest bearing debt ratio to remain at an appropriate level with the ratio of 1.91 at the end of the year.

(3) Assets management ability

In 2022, the Company's assets were equal to baht 19,864.60 million, an increase of baht 824.08 million compared to the previous year from baht 19,040,52 million. Most of the assets consist of real estate projects under development and land pending for development to be used for the development of real estate projects for sale in the future, worth 3,224.11 million baht and 467.84 million baht, respectively or 16.23% and 2.36% of total assets respectively. Investment properties of 6,441.47 million baht or 32.43% of total assets, land, buildings and equipment, valued at 5,746.69 million baht or 28.93 percent of total assets.

Trade receivables

Detail of current project payments as of 31 December 2022

(Unit : million baht)

Project and location		Size (rai)	Quantity (units)	Type	Price per unit	Project value
1	ChuanChuen Golf Avenue Bangkok-Pathumthani Road, Mueang District, Pathum Thani Province	330	377	Vacant land	1.6 - 5.4	1,200
2	ChuanChuen Town Kaewin-Bang Yai, Soi Kaewin, Bang Mae Nang Subdistrict, Bang Yai District (Bang Bua Thong), Nonthaburi Province	27	274	Townhome	2.89 - 4.85	849.72
3	ChuanChuen Town Ratchapruek -345, Lampo Subdistrict, Bang Bua Thong District, Nonthaburi Province	27	289	Townhome	2.35 - 3.7	784.41
4	ChuanChuen Town Rangsit-Klong 1, Liab Klong Rangsit-Nakhon Nayok RoadPrachathipat Subdistrict, Thanyaburi District, Pathum Thani Province	40	324	Townhome	2.79 - 4.65	1,051.67
5	ChuanChuen City Watcharaphon-Ramindra, Tharang Subdistrict, Bang Khen District, Bangkok	25	108	Detached house	6.15 - 8.6	722.97
6	ChuanChuen Prime Village Bang Na,SoiKiatPhiphatthani, Bang Na-Trad Rd., Km 29.5, Bang Bo, SamutPrakan Province	63	293	Detached house	4.37 - 7.0	1,399.06
7	ChuanChuen Town Village Bang Na,SoiKiatPhiphatthani, Bang Na-Trad Rd., Km 29.5, Bang Bo, SamutPrakan Province	41	299	Townhome, Detached house	2.59 - 6	944.99
8	ChuanChuen Town ChaiyapruekChaengwattana, Phimon Rat Subdistrict, Bang Bua Thong District, Nonthaburi	41	397	Townhome	2.89 - 5	1,341.59
9	ChuanChuen Town Bang Yai, SoiPhra Non, Bang Mae Nang Subdistrict, Bang Yai District (Bang Bua Thong), Nonthaburi Province	37	335	Townhome	2.59 - 4.0	942.2
10	ChuanChuen Park Pinklao Kanchana, Sala Klang Subdistrict, Bang Kruai District, Nonthaburi Province	21	201	Duplex houses, Detached house	3.89-9	950
11	ChuanChuen Town Rangsit Klong 3, Khlong Sam Subdistrict, Khlong Luang District, Pathum Thani Province	14	321	Townhome	1.99-3.7	765.96

detail of accumulated payment as of 31 December 2022

Project name	Sold value (million baht) (1)	Accumulated due amount (2)		Accumulated paid amount (3)		Accumulated unpaid amount (2) - (3)		Remaining undue amount (1) - (2)	
		Million baht	Percent of sold value	Million baht	Percent of accumulated due amount	Million baht	Percent of accumulated due amount	Million baht	Percent of sold value
1 ChuanChuen Golf Avenue	1,101.67	1,101.67	100.00	1,101.67	100.00	-	-	-	-
2 ChuanChuen Town Rangsit Klong 1	1,011.60	1,011.60	100.00	1,011.60	100.00	-	-	-	-
3 ChuanChuen Town Ratchapruék 345	469.58	466.10	99.26	466.10	100.00	-	-	-	0.74
4 ChuanChuen City Watcharaphon Ramrintra	714.57	714.57	100.00	714.57	100.00	-	-	-	-
5 ChuanChuen Town Bangyai	505.75	505.75	100.00	505.75	100.00	-	-	-	-
ChuanChuen Town Chaiyapuek-									
6 Chaengwattana	515.18	511.93	99.37	511.93	100.00	-	-	-	0.63
7 ChuanChuen Prime Village Bangna	754.26	754.26	100.00	754.26	100.00	-	-	-	-
8 ChuanChuen Town Village Bangna	321.18	321.18	100.00	321.18	100.00	-	-	-	-
9 ChuanChuen Park Phinklao Kanchana	403.97	403.97	100.00	403.97	100.00	-	-	-	-
10 ChuanChuen Town Rangsit Klong 3	182.29	178.30	97.81	178.30	100.00	-	-	-	2.19
Total	5,980.95	5,969.33	99.82	5,969.33	100.00	-	-	10.72	0.18

<i>Trade and other current receivables</i>	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
(in thousand Baht)				
Within credit terms	1,004,748	27,508	961,617	-
Overdue:				
Less than 3 months	8,715	15,789	-	8
3 - 6 months	1,362	42,171	-	2
6 - 12 months	2,402	2,677	-	-
Over 12 months	1,543	735	-	-
Total	1,018,770	88,880	961,617	10
Less allowance for expected credit loss	(214)	-	-	-
Net	1,018,556	88,880	961,617	10

Real estate project under development

In 2022, there are 9 residential projects in operation, including single detached houses, twin houses, townhouses under the name "Chuan Chuen". Due to the economic slowdown and the purchasing power of consumers declined, the Company has delayed the launch of new projects.

Investment

- On 16 March 2022, the board of directors' meeting approved Rx Wellness Co., Ltd., a subsidiary, to establish an entity namely "Rx Wellness Blocker US, Inc." and invested in 100% ownership interest in total share capital. As of 19 September 2022, Rx Wellness Co., Ltd paid the share subscription totaling USD 4.4 million or 150 million baht with 100% ownership interest as the Board of Directors approved.

Rx Wellness Blocker US, Inc. invested in RAKxa Wellness US, LLC with 80% ownership interest in total share capital. RAKxa Wellness US, LLC invested in RC Ownership, LLC with 100% ownership interest in total share capital. RC Ownership, LLC invested in USA for operating resort and wellness business.

- On 25 March 2022, the annual general meeting of Prospect REIT Management Co., Ltd., an indirect subsidiary (100% shareholding through Prospect Development Co., Ltd.), the shareholders approved to increase registered capital from Baht 10 million to Baht 16 million by issued 60,000 ordinary shares with a par value of Baht 100 per share. Prospect REIT Management Co., Ltd. registered its increased capital with the Ministry of Commerce on 25 April 2022 and Prospect REIT Management Co., Ltd. has fully-received the share capital for a consideration of Baht 6 million.

- On 4 April 2022, Rx Wellness Co., Ltd., a subsidiary, invested in an entity namely "Rakxa Venture Co., Ltd." (Formerly Health and Wellness Ventures Co., Ltd.) which business types are health and wellness clinic, and rehabilitation center. The entity has been registered with the Ministry of Commerce on 4 April 2022 and has authorised share capital amounting to 1 million baht (10,000 ordinary shares with a par value of Baht 100 per share). The subsidiary has fully-paid the share capital for a consideration of Baht 0.5 million. The subsidiary has ownership interest in the entity 50% of issued and paid-up share capital.
- On 26 July 2022, the board of directors' meeting of MKH Assets Co., Ltd., a subsidiary, approved to call-up 65% of its par value of the share capital. The Company paid the share subscription amount to Baht 65 million. Subsequently, At the extraordinary general meeting of the subsidiary held on 15 August 2022, the shareholders approved to increase its authorised share capital from 100 million baht to 150 million baht by issueing 500,000 new ordinary shares with a par value of Baht 100 per share. The subsidiary registered its increased capital with the Ministry of Commerce on 23 August 2022. The Company already paid the share capital totaling Baht 50 million or 100% of the increased share capital.
- On 26 July 2022, the board of directors' meeting of Health and Wellness Village Co., Ltd., a subsidiary, approved to call-up 41.5% of its par value of the share capital. The Company paid the share subscription amount to 62.25 million baht. Subsequently, At the extraordinary general meeting of the subsidiary held on 15 August 2022, the shareholders approved to increase its authorised share capital from 200 million baht to Baht 330 million baht by issueing 1,300,000 new ordinary shares with a par value of 100 baht per share. The subsidiary registered its increased capital with the Ministry of Commerce on 23 August 2022. The Company already paid the share capital totaling 130 million baht or 100% of the increased share capital.
- On 15 August 2022, the extraordinary general meeting of Munkong Life Co., Ltd., a subsidiary, the shareholders approved to increase its authorised share capital from 2,600 million baht to 2,970 million baht by issueing 3,700,000 new ordinary shares with a par value of 100 baht per share. The subsidiary registered its increased capital with the Ministry of Commerce on 23 August 2022. The Company already paid the share capital totaling 370 million baht or 100% of the increased share capital.
- On 17 November 2022, the extraordinary general meeting of MKH Assets Co., Ltd., a subsidiary, the shareholders approved to decrease its authorised share capital amount to 11.50 million baht by reducing 115,000 ordinary shares with a par value of 100 baht per share. The subsidiary registered its decreased capital with the Ministry of Commerce on 20 December 2022.
- On 17 November 2022, the extraordinary general meeting of Health and Wellness Village Co., Ltd., a subsidiary, the shareholders approved to decrease its authorised share capital amount to

46.80 million baht by reducing 468,000 ordinary shares with a par value of 100 baht per share.

The subsidiary registered its decreased capital with the Ministry of Commerce on 20 December 2022.

- On 23 December 2022, RX Wellness Co., Ltd., a subsidiary, increased its authorised share capital from 100 million baht to 4,600 million baht by issuing 45,000,000 new ordinary shares with a par value of 100 baht per share amounting 4,500 million baht. The subsidiary received consideration paid of 1,108.30 million baht and shares of 3 direct subsidiaries of the Company which are MKH Assets Co., Ltd., at carrying amount of 138.50 million baht, Health and Wellness Village Co.,Ltd. at carrying amount of 283.20 million baht and Munkong Life Co., Ltd., at carrying amount of 2,970 million baht. As result, the 3 subsidiaries have become indirect subsidiaries.
- On 23 December 2022, the extraordinary general meeting of Munkong Life Co., Ltd., an indirect subsidiary (100% shareholding through Rx Wellness Co., Ltd.), the shareholders approved to increase registered capital from 2,970 million baht to 4,020 million baht by issuing 10,500,000 ordinary shares with a par value of 100 baht per share. Munkong Life Co., Ltd. registered its increased capital with the Ministry of Commerce on 26 December 2022 and Munkong Life Co., Ltd. has fully-received the share capital for a totaling of 1,050 million baht.

(4) Liquidity and capital adequacy of the Company

In 2022, the company's liabilities increased by 829.69 million baht. The increase in liabilities was a result of long-term loans from financial institutions in the amount of 808.49 million baht from Prospect Development Co., Ltd. Due to business expansion in the new project and issuing debentures to invest in investment properties and real estate development projects. As a result, the interest bearing debt ratio at the end of the year was 1.91

Source and use of funds

With the increase in debt, the debt to equity ratio (D/E) rose to 2.07 times, a year-on-year increase to 1.94 times. The interest-bearing debt to equity ratio was 1.91 times, a year-on-year increase. with the year 2021 at 1.68 times.

Capital expenditure

In the last year, the Company has net cash flow from operations of 572.14 million baht, cash received form sale of property, plant and equipment of 1,399.55 million baht, income tax expenses of 20.72 million baht, net cash flow used in investing activities of 1,215.84 million baht, net cash flow from financing activities of 878.56 million baht, used to pay interest and other finance costs of 597.22 million baht, with repayment of long-term loans of 905.18 million baht and repayment of long-term debentures

due in the amount of 4,093.40 million baht, with cash inflow from issuing debentures of 5,148.40million baht. As a result, cash and cash equivalents increase 243.49 million baht

Adequacy of liquidity

As of December 31, 2022, the Company group has undrawn credit lines from various domestic financial institutions totaling 2,240.19 million baht and 1,757.52 million baht, respectively (2021 : 4,463.28 million baht and 2,569.50 million baht, respectively). The real estate for sale business has a credit line to support the construction cost and will repay the loan only when it is sold to the customer. The portion of business that generates recurring income has a fixed loan repayment period. The business's operating income will be able to pay off debts that are due. When the company needs short-term funding sources or when it is necessary, the Company has a certain amount of credit limit for issuing debt instruments.

Ability to acquire additional funding source

The Company has assets which is land that have no plan to develop in near term. They can be converted to working capital. The Company group also has factories and warehouses and when their construction are complete and lease for a period, they will be offered to Trust for sale as an alternative way to raise fund. For real estate projects for sales, the Company has policy to use long-term loans from financial institutions which have the loan term of approximately 2-5 years.

Factors that may affect credit rating

Business diversification by expanding into business that generates recurring income. It may result in change in the credit rating and/or credit rating outlook. This due to the higher debt burden from investing in businesses that generate recurring income. If the Company can reduce leverage and manage liquidity appropriately.

Debt servicing ability and fulfillment of borrowing covenant and significant obligations

The Company has to comply with the terms of financial terms by maintaining net interest-bearing debt to equity ratio minus cash and cash equivalents of not more than 2 times. As of December 2022, the Company has such ratios of approximately 1.84 times.

(5) Contractual Obligations and Off-Balance Sheet Arrangements

The following table are the remaining contractual maturities of financial liabilities at the 31 December 2022. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements						
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
<i>At 31 December 2022</i>						
<i>Financial liabilities</i>						
Trade and other current payables	296,281	296,281	-	-	-	296,281
Short-term borrowings from						
financial institutions	694,689	700,000	-	-	-	700,000
Short-term debentures	1,206,005	1,209,100	-	-	-	1,209,100
Short-term loans from related parties	116,986	124,274	-	-	-	124,274
Long-term loans from						
financial institutions	3,121,398	418,907	815,812	1,712,837	1,246,882	4,194,438
Long-term loans from other parties	80,000		85,143	-		85,143
Long-term debentures	6,405,625	2,932,535	1,900,241	2,150,852	-	6,983,628
Lease liabilities	703,737	49,071	45,181	139,899	946,759	1,180,910
	12,624,721	5,730,168	2,846,377	4,003,588	2,193,641	14,773,774
<i>At 31 December 2021</i>						
<i>Financial liabilities</i>						
Trade and other current payables	449,732	449,732	-	-	-	449,732
Payables for purchase of land	647,000	647,000	-	-	-	647,000
Short-term borrowings from						
financial institutions	1,142,137	1,150,000	-	-	-	1,150,000
Short-term debentures	1,701,986	1,743,446	-	-	-	1,743,446
Short-term loans from other parties	227,473	230,000	-	-	-	230,000
Long-term loans from						
financial institutions	2,201,052	377,846	643,210	1,631,394	316,510	2,968,960
Long-term debentures	4,873,233	1,496,854	3,074,057	719,491	-	5,290,402
Lease liabilities	700,355	37,398	59,507	150,861	1,078,435	1,326,201
	11,942,968	6,132,276	3,776,774	2,501,746	1,394,945	13,805,741

Separate financial statements								
		Contractual cash flows						
		Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
<i>(in thousand Baht)</i>								
<i>At 31 December 2022</i>								
<i>Financial liabilities</i>								
Trade and other current payables	56,997	56,997	-	-	-	56,997		
Short-term borrowings from financial institutions	644,688	650,000	-	-	-	650,000		
Short-term debentures	1,206,004	1,209,100	-	-	-	1,209,100		
Short-term loans from related parties	116,986	124,274	-	-	-	124,274		
Long-term loans from financial institutions	232,456	61,755	79,715	125,390	-	266,860		
Long-term loans from other parties	80,000	-	85,143	-	-	85,143		
Long-term debentures	5,512,561	2,623,238	1,232,949	2,150,851	-	6,007,038		
Lease liabilities	156,407	9,664	9,448	28,296	307,200	354,608		
	<u>8,006,099</u>	<u>4,735,028</u>	<u>1,407,255</u>	<u>2,304,537</u>	<u>307,200</u>	<u>8,754,020</u>		
<i>At 31 December 2021</i>								
<i>Financial liabilities</i>								
Trade and other current payables	47,598	47,598	-	-	-	47,598		
Short-term borrowings from financial institutions	1,092,137	1,100,000	-	-	-	1,100,000		
Short-term debentures	1,701,986	1,743,446	-	-	-	1,743,446		
Short-term loans from related parties	20,000	20,000	-	-	-	20,000		
Short-term loans from other parties	69,396	70,000	-	-	-	70,000		
Long-term loans from financial institutions	790,086	58,982	-	854,254	-	913,236		
Long-term debentures	4,056,652	937,333	2,764,759	719,491	-	4,421,583		
Lease liabilities	157,721	9,582	9,664	28,444	316,900	364,590		
	<u>7,935,576</u>	<u>3,986,941</u>	<u>2,774,423</u>	<u>1,602,189</u>	<u>316,900</u>	<u>8,680,453</u>		

4.2 Factors or events that may significantly affect the financial status or operations in the future (forward looking)

External factors that affect the performance of the Company may cause the operating results to not meet the target set or change significantly, including the economic situation that is still highly uncertain. Situation of the spread of COVID-19 that continues, as well as financial institutions have increased their caution in approving credit are external factors that may have such impact.

4.3 Key financial statement and financial ratio

Key financial information

1. Financial statement

A. Summary of the audit report for the past 3 years

Financial statement 2020 - 2022 KPMG Phoomchai Audit Company Limited

Auditor: MissCharinrat Noprampha CPA No. 10448

Summary of the auditor's report for the year 2020 – 2022

For the financial statements of the year 2020 - 2022, the auditor's report is summarized as a type of Unconditional

B. Summary table of financial statements and consolidated financial statements

Annual statement of financial position comparing the past 3 years (asset side)

(Unit : thousand baht)	Consolidated financial statement					
	31 December					
Items	2020	%	2021	%	2022	%
Cash and cash equivalents	164,020	0.91	172,187	0.90	415,672	2.09
Other current financial assets	191,063	1.06	318,008	1.67	-	-
Trade and other current receivables	78,391	0.44	88,880	0.47	1,018,556	5.13
Short-term loans to related parties	-	-	570,000	2.99	808,500	4.07
Short-term loans to other parties	105,000	0.58	110,000	0.58	81,200	0.41
Real estate development for sale	5,665,618	31.50	4,132,798	21.71	3,224,115	16.23
Inventories	3,504	0.02	4,691	0.02	5,879	0.03
Deposits for purchase of land	-	-	-	-	-	-
Other current assets	113,575	0.63	148,864	0.78	250,028	1.26
Total current assets	6,321,172	35.15	5,545,427	29.12	5,803,949	29.22
Deposits pledged as collateral	4,650	0.03	21,504	0.11	63,814	0.32
Investments in associates	218,461	1.21	204,151	1.07	193,095	0.97
Investments in subsidiaries	-	-	-	-	-	-
Investments in joint ventures	326,479	1.82	605,542	3.18	590,912	2.97
Other non-current financial assets	10,126	0.06	10,126	0.05	8,494	0.04
Land held for development	477,054	2.65	467,837	2.46	467,837	2.36
Investment properties	5,403,932	30.05	5,193,963	27.28	6,441,472	32.43
Property, plant and equipment	4,994,165	27.77	5,785,384	30.38	5,746,695	28.93
Intangible assets	18,122	0.10	21,074	0.11	33,287	0.17
Deposits	-	-	120,000	0.63	30,000	0.15
Deferred tax assets	75,632	0.42	160,966	0.85	189,757	0.96
Other non-current receivable	-	-	781,500	4.10	30,000	0.15
Other non-current assets	135,455	0.75	123,049	0.65	265,292	1.34
Total non-current assets	11,664,075	64.85	13,495,097	70.88	14,060,655	70.78
Total assets	17,985,247	100.00	19,040,523	100.00	19,864,604	100.00

Annual statement of financial position comparing the past 3 years (liabilities and shareholders' equity side)

(Unit : thousand baht)	Consolidated financial statement					
Items	31 December					
	2020	%	2021	%	2022	%
Short-term borrowings from financial institutions	873,196	4.86	1,142,137	6.00	694,689	3.50
Trade and other current payables	427,062	2.37	449,732	2.36	296,281	1.49
Current portion of payables for purchase of land	-	-	647,000	3.40	-	-
Current portion of long-term borrowings from financial	290,343	1.61	284,357	1.49	396,208	1.99
Short-term debentures	647,628	3.60	1,701,986	8.94	1,206,005	6.07
Current portion of long-term debentures	1,720,307	9.57	1,435,817	7.54	2,812,122	14.16
Short-term loans from related parties	-	-	-	-	116,986	0.59
Short-term loans from other parties	667,775	3.71	227,473	1.19	-	-
Current portion of lease liabilities	2,996	0.02	23,023	0.12	17,127	0.09
Current income tax payable	18,646	0.10	-	-	719	-
Customers' deposits	19,244	0.11	29,114	0.15	42,234	0.21
Other current liabilities	363,051	2.02	351,846	1.85	376,882	1.90
Total current liabilities	5,030,249	27.97	6,292,484	33.05	5,959,253	30.00
Payables for purchase of land	647,000	3.60	-	-	-	-
Long-term borrowings from financial institutions	1,680,983	9.35	1,916,695	10.07	2,725,189	13.72
Long-term borrowings from other parties	-	-	-	-	80,000	0.40
Long-term debentures	3,435,233	19.10	3,437,416	18.05	3,593,503	18.09
Lease liabilities	301,533	1.68	677,332	3.56	686,610	3.46
Deferred tax liabilities	-	-	-	-	5,384	0.03
Non-current provisions for employee benefits	92,496	0.51	67,495	0.35	62,312	0.31
Estimated long-term liabilities	-	-	-	-	-	-
Other non-current liabilities	156,778	0.87	180,667	0.95	289,533	1.46
Total non-current liabilities	6,314,022	35.11	6,279,604	32.98	7,442,530	37.47
Total liabilities	11,344,270	63.08	12,572,088	66.03	13,401,783	67.47
 Equity						
Authorised share capital	1,117,211		1,117,211		1,117,211	
Issued and paid-up share capital	1,091,205	6.07	1,091,205	5.73	1,091,205	5.49
Share premium on ordinary shares	1,484,160	8.25	1,484,160	7.79	1,484,160	7.47
Warrants	3,280	0.02	4,294	0.02	4,795	0.02
Retained earnings						
Appropriated						
Legal reserve	111,721	0.62	111,721	0.59	111,721	0.56
Unappropriated	3,976,225	22.11	3,802,669	19.97	3,736,779	18.81
Other components of equity	(25,614)	(0.14)	(25,614)	(0.13)	2,707	0.01
Equity attributable to owners of the parent	6,640,977	36.92	6,468,435	33.97	6,431,367	32.38
Non-controlling interests	-	-	-	-	31,454	0.16
Total equity	6,640,977	36.92	6,468,435	33.97	6,462,821	32.53
 Total liabilities and equity	17,985,247	100.00	19,040,523	100.00	19,864,604	100.00

Annual income statement comparing the past 3 years

(Unit : thousand baht)

Items	Consolidated financial statement					
	31 December					
	2020	%	2021	%	2022	%
Revenue from sale of real estate	2,530,403	73.42	2,481,142	74.70	1,790,543	69.88
Revenue from rental and rendering of services	374,267	10.86	341,333	10.28	340,105	13.27
Revenue from golf services and sport club	100,843	2.93	-	0.00	-	0.00
Revenue from management of real estate	48,374	1.40	91,042	2.74	118,261	4.62
Revenue from health and wellness	3,044	0.09	25,821	0.78	57,318	2.24
Gain on disposal of investments and investments income	10,729	0.31	297,327	8.95	70,839	2.76
Gain on disposal of investment properties	263,293	7.64	-	0.00	-	0.00
Other income	115,523	3.35	84,675	2.55	185,339	7.23
Total revenues	3,446,475	100.00	3,321,339	100.00	2,562,406	100.00
Cost of sale of real estate	1,904,880	55.27	2,035,485	61.29	1,122,283	43.80
Cost of rental and rendering of services	181,491	5.27	167,574	5.05	145,726	5.69
Cost of golf services and sport club	63,540	1.84	-	0.00	-	0.00
Cost of management of real estate	21,811	0.63	35,029	1.05	26,951	1.05
Cost of health and wellness	8,962	0.26	132,988	4.00	152,466	5.95
Distribution costs	242,394	7.03	232,522	7.00	163,411	6.38
Administrative expenses	660,987	19.18	577,075	17.37	849,336	33.15
Total expenses	3,084,065	89.48	3,180,673	95.76	2,460,173	96.01
Finance costs	(378,561)	(10.98)	(477,465)	(14.38)	(598,847)	(23.37)
Share of profit of joint ventures and associates	6,311	0.18	60,997	1.84	4,799	0.19
Profit before income tax expense	(9,839)	(0.29)	(275,801)	(8.30)	(491,815)	(19.19)
Tax (expense) income	6,419	0.19	87,790	2.64	(20,722)	(0.81)
Loss for the year from continuing operations	(3,421)	(0.10)	(188,012)	(5.23)	(512,537)	(20.00)
 Profit for the year from discontinued operation, net of tax	 0	 0.00	 2,700	 0.08	 469,911	 18.34
Profit (loss) for the year	(3,421)		(185,311)		(42,626)	
 Other comprehensive income						
Item that will be reclassified subsequently						
to profit or loss						
Exchange differences on translating financial statements	0	0.00	0	0.00	3,384	0.00
Gain on remeasurements of defined benefit plans						
Total item that will not be reclassified to profit or loss	(6,791)	(0.20)	11,756	0.35	1,961	0.08
Other comprehensive income for the year, net of tax	(6,791)	(0.20)	11,756	0.35	5,345	0.21
Total comprehensive income (expense) for the year	(10,212)	(0.30)	(173,555)	(5.23)	(37,281)	(1.45)
 Profit (loss) attributable to:						
Owners of the parent	(3,421)	(0.10)	(185,311)	(5.58)	(35,834)	(1.40)
Non-controlling interests	0	0.00	0	0.00	(6,792)	(0.27)
Profit (loss) for the year	(3,421)	(0.10)	(185,311)	(5.58)	(42,626)	(1.66)
 Total comprehensive income (expense) attributable to:						
Owners of the parent	(35,826)	(1.04)	(173,555)	(5.23)	(31,166)	(1.22)
Non-controlling interests	0	0.00	0	0.00	(6,115)	(0.24)
Total comprehensive income (expense) for the year	(35,826)	(1.04)	(173,555)	(5.23)	(37,281)	(1.45)
Annual income statement comparing the past 3 years						
Basic earnings (loss) per share	(0.00)		(0.17)		(0.03)	

(Unit : thousand baht)

Items	Consolidated financial statement		
	31 December		
	2020	2021	2022
Current assets	6,321,171,814	5,545,426,634	5,803,949,159
Total assets	17,985,247,059	19,040,523,293	19,864,604,201
Current liabilities	5,030,248,549	6,292,484,274	5,959,252,595
Total liabilities	11,344,270,396	12,572,088,123	13,401,783,034
Shareholders' equity	6,640,976,663	6,468,435,170	6,431,366,787
Book value	6.09	5.93	5.89
Total revenue	3,446,474,927	3,321,339,101	2,562,405,573
Costs and expenses	3,456,206,819	3,570,347,957	3,079,741,576
Net profit for the Company	(3,420,608)	(185,311,194)	(35,834,137)
Earnings (loss) per share	(0.00)	(0.17)	(0.03)
Number of shares	1,117,211,195	1,117,211,195	1,117,211,195

C. Key financial ratio

Financial ratio comparing the past 3 years

(Unit : thousand)

Items	Consolidated financial statement			
	2018	2019	2020	Change
Operating results				
Revenue from sales and services	3,056,929	2,939,337	2,306,227	(21.54%)
Total revenues	3,446,475	3,321,339	2,562,406	(22.85%)
Costs and expenses	3,077,646	3,092,883	2,480,895	(19.79%)
Gross profit (loss)	876,245	568,261	858,801	51.13%
Net profit for the Company	(3,421)	(185,311)	(35,834)	(80.66%)
Financial position				
Total assets	17,985,247	19,040,523	19,864,604	4.33%
Total liabilities	11,344,270	12,572,088	13,401,783	6.60%
Total shareholders' equity	6,640,977	6,468,435	6,462,821	(0.09%)
Inventories	6,142,671	4,600,635	3,691,952	(19.75%)
Information per share (baht)				
Earnings (loss) per share	(0.0031)	(0.1698)	(0.0328)	
Dividend per share	0.11	-	-	
Book value	6.09	5.93	5.89	

Liquility Ratio	၂၅၆၃	၂၅၆၄	၂၅၆၅	Change
Liquility Ratio (times)	1.26	0.88	0.97	
Quick ratio (times)	0.09	0.09	0.24	
Cash flow liquility ratio (times)	0.09	0.12	0.04	
Trade receivables turnover ratio (times)	61.74	35.14	4.16	
Average collection period (days)	6	10	88	
Inventories turnover ratio (times)	1.59	2.47	1.91	
Average product sales period (days)	229	148	191	
Trade payables turnover ratio (times)	5.82	5.41	3.88	
Average repayment period (days)	63	67	94	
Cash Cycle	172	91	185	

PROFITABILITY RATIO

Gross margin (%)	28.66	19.33	37.24	17.91
Operating profit margin (%)	0.12	0.07	0.24	0.17
Other revenues to total revenues ratio (%)	1.33	6.94	1.02	(5.93)
Net profit margin (%)	(0.10)	(5.58)	(1.40)	4.18
Return on equity (%)	(0.05)	(2.83)	(0.55)	2.27

EFFICIENCY RATIO

Return on assets (%)	(0.02)	(1.00)	(0.18)	0.82
Return on fixed assets (%)	0.05	0.02	0.04	0.02
Asset turnover (times)	0.20	0.18	0.13	(0.05)

FINANCIAL POLICY RATIO

Debt to equity ratio (times)	1.71	1.94	2.07	
Interest coverage ratio (times)	1.65	1.05	1.42	
Interest bearing debt to equity ratio (times)	1.45	1.68	1.91	
Obligationcoverage ratio (times)	0.14	0.10	0.16	
Dividend payout ratio (%)	32.20%	-	-	

5. General information and other significant information

5.1 General information

Auditors of 2022 financial statement

Auditors : Miss Charinrat Noprampa CPA No.10448 and/or Miss Nawarat Nitikeatipong CPA No.7789 and/or Miss Chanarat Chanwa CPA 9052

Audit company : KPMG Phoomchai Audit Company Limited

Location : 1 Empire Tower, Fl 50, South Sathorn Road, Yan Nawa, Sathorn District, Bangkok 10120

Telephone : 02-677-2000

Fax : 02-677-2222

5.2 Other significant information

-None-

5.3 Legal dispute

As of 31 December 2022, the Company and its subsidiaries have no lawsuits that may have negative impact on the assets of the Company and its subsidiaries that amount is more than 5% of shareholders' equity at the end of 2022.

5.4 Secendary market

-None-

5.5 Regularly contact financial institution

In issuing debt instrument, the Company has Bank of Ayudhya Public Company Limited as institution that always provide services to the Company.

Part 2

Corporate Governance

6. Corporate governance policy

6.1 Overview of management and business practice

The Board of Directors of M.K. Real Estate Development Public Company Limited has recognized the importance of good corporate governance, viewing it as crucial to the efficient conduct of business, the continuous and steady growth of the Company, and the maintenance of its competitiveness, all of which create confidence among shareholders, investors, and other relevant parties, and maximum benefits for the Company in the long run.

The Company has therefore implemented a policy enabling it to conduct business efficiently and with good corporate governance and good management, by emphasizing on the maximization of benefits for shareholders and stakeholders, committing itself to moral principles and code of conduct, and disclosing accurate and complete information in transparent and accountable manners. The company has formulated a good corporate governance policy, in compliance with corporate governance principles for listed companies set by the Stock Exchange of Thailand, to make sure the Company has good corporate governance and serve as a guideline for the Board of Directors, executives, and employees. The Board of Directors has made the policy known to Directors , Executive and employees of all levels and make sure they comply with it, with details as follows:

- All shareholders and stakeholders will be treated equally and fairly.
- The Board of Directors are committed to increasing the value of the Company in the long term, managing the Company with caution and vigilance, carrying out their duties and responsibilities with sufficient competency and efficiency with the aim of creating maximum benefits for shareholders, ensuring that no conflict of interest arises, and taking responsibility for their decisions and actions.
- The Company shall conduct business with transparency, fairness, and accountability. The company shall disclose sufficient and credible information, financial and otherwise, in a timely manner, in order that the Company's shareholders and stakeholders have equal access to significant information. The company also has a department responsible for providing information to investors and the general public.
- The Company shall conduct business with caution, especially in regards to risk management. It shall conduct risk assessments, prepare strategies for remedial action, and follow up on risk management appropriately and on a regular basis.

- The Board of Directors has laid out principles regarding the duties and responsibilities and code of conduct for management and employees. All directors, executive officers, and employees must strictly adhere to these principles. In particular, they must take customers' needs into consideration, deliver quality products and pleasant after-sales service, and treat customers with honesty and fairness. In addition, in compliance with the Stock Exchange of Thailand's guidance, the Company has put in place a good corporate governance policy that emphasizes internal control and audit, to ensure that management carries out company policies with efficiency, in order to ensure long-term benefits for shareholders in accordance with legal requirements and code of conduct.
- The Company encourages all directors and members of management to undertake relevant trainings at the Thai Institute of Directors Association (IOD) and other institutes, in order to increase knowledge in various areas relating to the duties and responsibilities of directors and management.

The corporate governance policy has continuously been implemented in accordance with the guidelines set by the Thailand Stock of Exchange, including Good Governance Code for Listed Companies 2002, Good Governance Code for Listed Companies 2006, Good Governance Code for Listed Companies 2012, and most recently the policy has been revised to align with Corporate Governance Code for Listed Companies 2017. The policy consists of the following eight main principles for the Board of Directors:

Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 2	Define Objectives that Promote Sustainable Value Creation
Principle 3	Strengthen Board Effectiveness
Principle 4	Ensure Effective CEO and People Management
Principle 5	Nurture Innovation and Responsible Business
Principle 6	Strengthen Effective Risk Management and Internal Control
Principle 7	Ensure Disclosure and Financial Integrity
Principle 8	Ensure Engagement and Communication with Shareholders

The company has disclosed various policies, including the Code of Conduct on the Company's website. (<http://www.mk.co.th>) to communicate to personnel at all level of the Company to be able to thoroughly study in detail with the important objective in communicating to employees, shareholders and other stakeholders regarding the determination of the Board of Directors to comply with the main characteristics of the good corporate governance process. The Board of Directors has followed up on the good corporate governance principles and reviewed such policy annually.

Personal Data Protection Act (PDPA)

The Company realized and attaches great importance to compliance with the Personal Data Protection Act B.E. 2562. The Board of directors has issued personal data protection policy and inform clients, suppliers, visitors, employees, including related third parties to acknowledge this policy and announce to employees in organization to comply with rules, regulations, code of conduct and/or policy of the Company. The detail are as follows:

To make data of clients, suppliers, visitors, employees, and related persons that have been provided, acquired, or disclosed to the Company maintain confidentially and use as consent by data subject and comply with the Personal Data Protection Act B.E. 2562, the Company has announced personal data protection policy. The summary is as follows:

- 1) The Company respects the privacy right of clients, suppliers, visitors, employees, and related persons to the utmost
- 2) The Company will ask for personal data as necessary for entering into contract or performing the contract, including performance of duties under the law. It will request data directly to the owner of information or persons who have given consent to disclose information only
- 3) The Company will inform the objectives of requesting data, use, and storing to data subjects and give consent since the first time that the Company receive the data
- 4) The Company will establish system for use, process, store in strict manner, and keep received data confidentially
- 5) The Company, as personal data controller, will set personal data protection officer in order to ensure that your personal data is used for its intended objective and not used beyond consent or not causing any damage to data subject
- 6) Sensitive data, such as race, nationality, political opinion, religious belief, health information or any other information that similarly affects the owner of personal data in accordance with the criteria announced by the Personal Data Protection Committee. The Company will collect, use, disclose and/or transfer sensitive data abroad only with consent of employees or permitted by law
- 7) The data subject has the right to access, review, withdraw consent to that data at any time during its storage
- 8) If personal data is sent to outside agencies or abroad, the Company will comply with the rules and consent requirement, including strictly stated laws
- 9) The Company will keep personal data as property of the Company, prohibit anyone from infringing, disclosing, accessing, or using for personal benefit or destroy data without the consent of data subject
- 10) Anyone who infringe or violate the Company's personal data policy will be subject to disciplinary punishment by the Company and may be subject to penalties as required by law. The Company can use its discretion to consider the penalty as prescribed by law

6.1.1 Policy and guideline related to the Board of Directors

The Board of Directors consists of persons with knowledge and capability who plays an important role in setting company policies and organization overview, as well as play a key role in independently supervising, auditing, and evaluating the Company's operating results to be in accordance with the plans.

Board of Directors

The number of members of the Board of Directors shall be as determined in the shareholders' meeting. The Board shall consist of no fewer than five (5) members per company regulations, and no less than half of which shall reside within the country. At least one out of three, but not fewer than three, shall be independent directors. Each director shall have suitability in terms of age, qualifications, capability, experience, and expertise and possess the attributes as specified in Article 68 of the Limited Public Company Act B.E. 2535 (1992) and other relevant laws. The Nomination and Remuneration Committee shall nominate and consider persons with specific skills, experience, profession, and qualifications as deemed vital to the Company's business and present them in the Board's meeting where members shall consider to elect them as directors. Then they will be presented in a shareholders' meeting for approval.

For the balancing and reviewing of the management, the company requires at least one third or at least three independent directors. These 3 independent directors hold the position of audit committee which meet all the qualifications according to the notification of the Stock Exchange of Thailand regarding qualifications and scope of work of the Audit Committee in order to perform auditing and balancing the Company's various affairs to ensure accuracy and fairness. Although the Chairman of the Board and the Chairman of the Executive Committee are the same person but the structure of the entire board of directors, consisting of at least one-third of the entire committee, or at least three of them, it also creates the balance and review of management. In addition, the Chairman of the Board of Directors is not the same person as the Chief Executive Officer and the company has clearly separated roles, duties and responsibilities between the chairman of the board and Chief Executive Officer clearly separated. Therefore, it helps to create a balance and review of the management in another way.

As of 31 December 2022, the Company had a total of 8 directors, including

- 5 executive directors
- 3 non-executive directors, or 3 out of 8 of the Board members
- 3 Independent directors, or 3 out of 8 of the Board members

All Independent directors have the qualifications set out in the Stock Exchange of Thailand announcement regarding qualifications and scope of work of Audit Committee as follows:

- (1) Hold no more than one percent of the total voting shares of the Company, its parent company, subsidiary, associated companies, major shareholders, any person having controlling power over the

Company. The number of shares held by any related person of such an independent director must also be counted.

- (2) Not be and have not been a director participating in management role of the Company, or an employee or an officer of the Company, or an advisor of the Company which receives regular salary from the Company, and not be and have not been a person having controlling power over the Company, subsidiary or associated company, unless such an independent director has not been a person referred to above for at least two years before being appointed as independent director. Such restriction or prohibition shall not apply to an independent director who has been a governmental officer or an advisor of a government authority, which is the major shareholder of the Company or the person having controlling power over the Company.
- (3) Not be a person having relationship either through blood or legal registration as a father, mother, spouse, sibling or child, including as a spouse of a child of any management person, major shareholder, or any person having power to control the Company or the Company's subsidiary, or of the person being nominated to be a management person of or a person having power to control the Company or the Company's subsidiary.
- (4) Not have and have not had any business relationship with the Company, subsidiary, associated company, or major shareholder, or with the person having power to control the Company that may have conflict of interest, in the manner in which their independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the Company, subsidiary, associated company major shareholder or the person having power to control the Company unless such an independent director has not been a person referred to above for no fewer than two years prior to being appointed as independent director. Business relationships referred to in the first paragraph above shall include any ordinary course of business or trade for business engagement purpose, any lease taking or lease out of any property, any transaction relating to asset or service, any financial support or acceptance of financial support by way of either borrowing, lending, guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant, or twenty million baht or more, which ever is lesser. In light of this , the method for calculating the value of related party transactions pursuant to the Capital Market Supervisory Board's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied mutatis mutandis for the purpose of calculation of such amount of debt of the applicant, provided that the amount of the debt incurred during the past one year prior to the date on which such a business relationship with such a business relationships with such person exists.

- (5) Not be and have not been an auditor of the Company, subsidiary, associated company, major shareholder or any of the person having power to control the Company, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any auditing firm or office in which the auditor of the Company, or subsidiary, or major shareholder, or the person having power to control the Company, unless such an independent director has not been a person referred to above for at least two years prior to being appointed as independent director.
- (6) Not be and have not been a professional advisor, including legal or financial advisor who obtains fee more than two million baht a year from the Company, subsidiary, associated company or major shareholder, or the person having power to control the Company, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any of such professional service provider firm or office, unless such an independent director has not been a person referred to above for at least two years prior to being appointed as independent director.
- (7) Not be a director appointed to serve a representative to protect the interest of a director of the Company, a major shareholder, or a shareholder which is a related person of a major shareholder.
- (8) Not engage in any business the nature of which is the same as that of the Company or the Company's subsidiary and which, in any material respect, is competitive with the business of the Company or the Company's subsidiary, or not be a substantial partner in a partnership, a director participating in any management role, an employee or officer, an advisor obtaining regular salary from, or a shareholder holding more than one percent of the voting shares of a company engaging in any business the nature of which is the same as that of the Company or the Company's subsidiary and which, in any material respect, is competitive with the business of the Company or the Company's subsidiary.
- (9) Not have any characteristics by which their independent comment or opinion on the Company's operation may be affected

After a person having qualifications stated in (1) to (9) above is appointed as an independent director, such appointed independent director may be assigned by the Board of Directors to make decision in respect of business operation of the Company, subsidiary, associated company, major shareholder, or the person having controlling power over the Company, provided that such decision making by such appointed independent director must always be made on a collective decision basis.

For determining the term of position holding of the directors, the Company has set the term of the director's position by stating in the Articles of Association of the Company which defines that at every annual general meeting of shareholders, one third of the directors shall vacate their positions. The director who must retire in the first year of registration shall be the first director who has been in position for the longest term. In the following years, the directors who has been in position for the next longest shall retire. The director who vacates under this article may be re-elected by allowing the retiring

directors to carry on the business of the Company for a while as necessary until the director is newly appointed.

The Board of Directors has appointed the Nomination and Remuneration Committee, chaired by an independent director and consisting predominantly of independent directors. The Nomination and Remuneration Committee shall consider criteria and methods for nomination of individuals with the right qualifications, review their background, and present their opinions to the Board of Directors before nominating them in a shareholders' meeting where they can be named directors. The Nomination and Remuneration Committee shall conduct their assigned duties in accordance with the Charter for Nomination and Remuneration Committee.

The Nomination and Remuneration Committee shall review criteria and methods of director nomination and present their opinions to the Board of Directors before setting out to nominate someone to replace a director nearing the end of their term. In this regard, the Committee is able to nominate the same director, based on the director's performance. In case where the Committee has appointed an advisor to the Committee, the advisor's information shall be disclosed in the Annual Registration Statement, including in regard to their independence and confirmation of no conflict of interest.

Criteria for selection of independent directors

- 1) Must be persons selected by the Board of Nomination and Remuneration Committee and the Board of Directors, and must be appointed in a shareholders' meeting or Board of Directors' meeting
- 2) At least one thirds, but no fewer than three persons, of the Board of independent directors must be independent directors
- 3) Must have the qualifications suitable for the Company's business
- 4) Must be persons that fit the definition of "independent directors," i.e. an independent director must not be involved in the Company's management and/or conduct of business; must be independent from major shareholders, company management, and immediate family members of those persons, and can express independent opinions, taking the interest of the Company and shareholders into consideration

Selection process

The Board of Nomination and Remuneration Committee will consider the list of external persons with qualifications that are widely accepted in the business and academic circles to present in a Board of Directors' meeting for their consideration, or in a shareholders' meeting for appointment, as the case may be. In line with the regulations announced by The Securities and Exchange Commission, Thailand and The Stock Exchange of Thailand.

It should be noted that independent directors must not have business relations or provide any significant professional services to the Company, its parent company, or any subsidiary, associated company, or juristic person that may present cases of conflict of interest. In addition, the Company's independent directors cannot serve as independent directors for the parent company, any subsidiary, or associated company.

Selection of directors and members of the management committee

The Board of Nomination and Remuneration Committee will select persons with the appropriate qualifications to be proposed for appointment as directors, in case where a position becomes vacant or an incumbent is about to end his tenure. The Board of Nomination Committee will select Chairman of Board of Director, Chairman of the Executive Director and Chief Executive Officer, to present in a Board of Directors' meeting for their consideration. The Board of Directors may appoint directors, or present them in a shareholders' meeting for appointment, as the case may be. The Board of Directors consists of no less than five members, all of whom are selected in a shareholders' meeting to manage the Company. No fewer than half of the Board of Directors must reside in the Kingdom of Thailand, and have the qualifications required by the law. A shareholders' meeting selects directors using the following criteria and methods:

- 1) Each shareholder shall have a number of votes equal to the number of shares held by them.
- 2) In the election of directors, the shareholders may cast votes for individual or several directors simultaneously for the full number of all directors to be elected in that occasion as deemed appropriate by the shareholders meeting. In the voting whether for individual or several directors aforesaid each candidate shall receive the votes in accordance with the number of all shares held by such shareholder under (1) whereby such shareholder may not allocate his/her votes to any candidate for whatever amount of votes.
- 3) The candidates, ranking in order descending from the highest number of votes received to the lowest, shall be appointed as directors for the number of directors eligible in that occasion. In case there is a tie of the votes for candidates in descending order in excess of the number of the eligible directors, the Chairman of the meeting shall have a casting vote.

In every annual general meeting of shareholders, one third of the directors shall vacate their positions. If the number of directors cannot be divided into three parts, then the directors shall vacate by the closest number to one-third.

The director who must retire in the first year of registration shall be the first director who has been in position for the longest term. In the following years, the directors who have been in position for the next longest shall retire. The director who vacates under this article may be re-elected by

allowing the retiring directors to carry on the business of the Company for a while as necessary until the director is newly appointed.

Directors' remuneration

Proposal of Directors' remuneration to the shareholders for approval. The board considers the structure and remuneration to be suitable for their responsibilities and motivates the board to lead the organization to achieve both short-term and long-term goals. The determination of remuneration for the Company's directors is in accordance with the resolution approved by the shareholders' meeting. Thus, the determination of remuneration for directors will be considered by the Nomination and Remuneration Committee to be jointly considered for the appropriateness of the remuneration in each year. It is compared with other companies' compensation standards in the same business before presenting to the Board of Directors and the Company's shareholders for approval.

The directors' remuneration is in the form of meeting allowances and annual gratuity. The remuneration of the Company's management is in the form of salaries and bonuses, depending on the performance of the Company and the performance of each executive. The Company has shown the amount of remuneration for directors and senior management received in the annual report and the annual registration statement for every year.

The Board of Directors the importance of the role and duties of the Company Secretary. Therefore, an appropriate permanent employee of the company has been appointed to act as the company secretary of the company in order to ensure that the Company's management can operate in the most efficient manner in accordance with good corporate governance principles. With the main duties and responsibilities as follows

- (A) provide legal advice And various rules That the board must know and act
- (B) supervising activities Of the board
- (C) Coordinate to ensure efficient implementation of the Board of Directors' resolutions.
- (D) Prepare and maintain the following documents:
 - Director registration
 - Board meeting invitation letter And minutes of the board
 - Invitation letter to shareholders' meeting And minutes of the shareholders' meeting
 - Maintain reports of interest reported by directors or executives.
- (E) Perform other acts as specified by the Board of Directors

The Company Secretary has passed the Company Secretary Program (CSP) training from the Thai Institute of Directors Association.

Board of Directors

As at 31 December 2022, the Board of Directors consists of 8 following members

- | | | |
|--------------------|----------------|--|
| 1) Mr. Suthep | Wongvorazathe | Chairman |
| 2) Mr. Vorasit | Pokachaiyapat | Chief Executive Officer |
| 3) Miss Dusadee | Tancharoen | Director and Executive Director |
| 4) Mrs. Sutida | Suriyodorn | Director and Executive Director |
| 5) Miss Rachanee | Mahatdetkul | Director and Executive Director |
| 6) Mr. Att Tongyai | Asavanund | Independent Director and Chairman of Audit Committee |
| 7) Mr. Chaiyapont | Timsootheepant | Independent Director and Audit Committee |
| 8) Mr. Theraphan | Jittalarn | Independent Director and Audit Committee |

With Miss Pornphan Yantossilp as a Company's secretary

Remark : The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs.Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards

Scope of Duties of Company Directors

The Board of Directors has the power and duty to define policies and operating directions to comply with the prescribed policy with efficiency and effectiveness, with emphasis on increasing economic value for the business and maintaining the best interests of the shareholders. They must perform their duties in accordance with the law, objectives and the Articles of Association of the Company as well as in accordance with the resolutions of the shareholders' meeting with honesty.

Board of Directors' meetings

Director has prepared the schedule for Board of Directors' general meetings, and notified each director of any upcoming meeting in advance, to allow directors ample time to prepare for and make the necessary arrangements to ensure their availability to attend the meeting. Normally, a Board of Directors' meeting is held once a month and, at a minimum, on a quarterly basis. Extraordinary meetings are called when necessary. At each meeting, Chairman or a person assigned by Chairman will send an invitation for the meeting at least seven days prior to the meeting. However, in case of urgency, or in case where the Company's rights or interest are at risk, a meeting may be called and notified to directors by other means and held within fewer than seven days. In this regards, two directors or more may request Chairman to call a Board of Directors' meeting. In such cases, Chairman must call a meeting within 14 days after the request was submitted.

When a meeting is called, the meeting agenda must be clearly outlined, and must always include a follow up on operating results. Chairman and Chief Executive Officer will collectively set the meeting agenda. Meanwhile, it is possible for two directors or more to ask Chairman to call a Board of Directors' meeting and submit topics for discussion to include in the meeting agenda.

Sub-committee

The Board of Directors has appointed Sub-committees to oversee the Company's operations, in order to increase efficiency and achieve investors' confidence in its careful operations. There are six of them, namely 1) Audit Committee 2) Nomination and Remuneration Committee 3) Corporate Governance Committee 4) Executive Committee 5) Risk Management Committee and 6) Management Committee

- 1) Audit Committee consist of at least three independent directors, whose responsibilities are specified in the charter of Audit Committee.
- 2) The Nomination and Remuneration Committee consist of at least three (3) company directors who are not Chairman of the Board of Directors shall constitute the Nomination and Remuneration Committee of which at least two (2) of the members shall be independent directors. In addition, more than half of the members of the Nomination and Remuneration Committee shall be independent directors. Their responsibilities are specified in the charter of The Nomination and Remuneration Committee and as assigned by the Board of Directors.
- 3) The Corporate Governance Committee shall consist of at least three (3) company directors. More than half of the Corporate Governance Committee shall be independent directors, to ensure that they conduct their work with transparency and independence. Their responsibilities are specified in the charter of The Corporate Governance Committee and as assigned by the Board of Directors.
- 4) Executive Committee consists of at least five directors, the scope of authorities of whom is specified in the directive regarding the appointment of Executive Committee and as assigned by the Board of Directors.
- 5) Risk Management Committee consists of four directors and one executive.Their responsibilities are specified in the charter of Risk Management Committee and as assigned by the Board of Directors.
- 6) Management Committee consists of four directors and one executive, the scope of authority of whom is specified in the directive regarding the appointment of Management Committee and as assigned by the Board of Directors.

Sub-committees will report progress and performance reviews to the Board of Directors, with the scope of authority as follows:

1. Audit Committee

As at 31 December 2022, Audit Committee consists of three independent directors.

- 1) Mr. Att Tongyai Asavanund Chairman of Audit Committee
- 2) Mr. Chaiyapont Timsootheepant Audit Committee Member
- 3) Mr.Theraphan Jittalarn Audit Committee Member

with Mrs. Niramon Atsawakunkamnurd as an Audit Committee's secretary

Scope of authority of the Audit Committee

The Board of Audit Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Review the Company's financial reporting process to ensure that it is accurate and adequate.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and effective, determine an internal audit unit's independence, and approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of internal audit
- 3) Review the Company's compliance with the law on securities and exchange, Stock Exchange of Thailand regulations, and the laws relating to the Company's business
- 4) Consider, select and nominate an independent person to be the Company's auditor, propose such person's remuneration, dismissal of the auditor and hold a meeting with the auditor, in which no members of management attend, at least once a year
- 5) Review related party transactions, or transactions that may lead to conflict of interests, to ensure that they are in compliance with the laws and Stock Exchange of Thailand regulations, reasonable and for the highest benefits of the company
- 6) Prepare, and disclose in the Company's Annual Report, an the Board of Audit Committee report which must be signed by chairman of the Board of Audit Committee and include at least the following information
 - (A) An opinion on the accuracy, completeness and creditability of the Company's financial reports
 - (B) An opinion on the adequacy of the Company's internal control system
 - (C) An opinion on compliance with the law on securities and exchange, the Stock Exchange of Thailand regulations, or the laws relating to the Company's business
 - (D) An opinion on the suitability of the auditor
 - (E) An opinion on the transactions that may lead to conflict of interests
 - (F) The number of the Board of Audit Committee's meetings, and attendance in such meetings by each committee member,
 - (G) An overall opinion or comment about Audit Committee's implementation of its duties in accordance with the charter
 - (H) Other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors
- 7) Perform any other act as assigned by the Company's Board of Directors, with the approval of the Board of Audit Committee

When carrying out duties under this scope of authority, the Board of Audit Committee can call members of Management Officer, a department head, or relevant employees to attend a meeting and express opinions, or submit related documents. In addition, the Board of Audit Committee may seek external advice from independent advisors or other experts, as it deems necessary and appropriate. All the expenses incurred for this purpose will be borne by the Company.

Chairman of the Board of Audit Committee and Audit Committee have a tenure length of 3 years. When their tenure is completed, they may be appointed yet again

2. Nomination and Reuneration Committee

As at 31 December 2022, Nomination and Reuneration Committee consists of three independent directors and one director

- | | |
|----------------------------------|---|
| 1) Mr. Att Tongyai Asavanund | Chairman of Nomination and Remuneration Committee
and independent director |
| 2) Mr. Vorasit Pokachaiyapat | Normination and Remuneration Committee Member
and director |
| 3) Mr.Theraphan Jittalarn | Normination and Remuneration Committee Member
and independent director |
| 4) Mr. Chaiyapont Timsootheepant | Nomination and Remuneration Committee Member
and independent director |

with Miss Pornphan Yantossilp as a Nomination and Remuneration Committee's secretary

Scope of authority of the Nomination and Remuneration Committee

The Board of Nomination and Remuneration Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Determine criteria and principles for the selection of company directors, and nominate suitably qualified persons and present them to the Board of Directors for appointment, or to a shareholders' meeting for election, as company directors, as the case may be.
- 2) Consider criteria and procedures for paying remuneration to company directors and subcommittee members, and present to the Board of Directors and then in a shareholders' meeting for approval.
- 3) Determine criteria and principles for the selection of executive officers, and nominate suitably qualified persons for the positions, and present to the Board of Directors for their consideration and approval.

- 4) Prepare criteria and procedures of annual performance reviews for the Chairman of the Executive Committee and the Chief Executive Officer and present them to the Board of Directors for approval.
- 5) Ensure that the qualifications of independent directors are suitable for the nature of the Company's business and in line with the criteria set by the Securities and Exchange Commission, Thailand.
- 6) Give advice about the preparation and review of succession plans for Executive Officers.
- 7) Appoint one (1) company employee to serve as Secretary to the Nomination and Remuneration Committee.
- 8) Carry out any other responsibilities as assigned by the Board of Directors

3. Corporate Governance Committee

As at 31 December 2022, Corporate Governance Committee consists of three independent directors.

- 1) Mr. Att Tongyai Asavanund Chairman of Corporate Governance Committee
- 2) Mr. Chaiyapont Timsootheepant Corporate Governance Committee
- 3) Mr.Theraphan Jittalarn Corporate Governance Committee

with Miss Pornphan Yantossilp as a Corporate Governance Committee's secretary

Scope of authority of the Corporate Governance Committee

The Board of Corporate Governance Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Formulate the Company's corporate governance policy and its code of conduct for business operations relevant to its business operations.
- 2) Revise the Company's corporate governance policy and its code of conduct for business operations to ensure relevance to its business operations and compliance with corporate governance principles for listed companies. Make changes to them to align with the guidelines provided by the Securities and Exchange Commission of Thailand, the Stock Exchange of Thailand, and any other regulatory body.
- 3) Give advice and recommendations as guidance for operations to be implemented by the Board of Directors and management, to ensure compliance with corporate governance principles.
- 4) When formulating, making changes to, revising, or reviewing the corporate governance policy, present it to the Board of Directors to consider.
- 5) Carry out any other responsibilities as assigned by the Board of Directors

4. The Risk Management Committee

As at 31 December 2022, The Risk Management Committee consists of four directors and one executive

- | | | |
|------------------|---------------|--|
| 1) Mr. Vorasit | Pokachaiyapat | Chairman of Risk Management Committee and Director |
| 2) Miss Dusadee | Tancharoen | Risk Management Committee Member and Director |
| 3) Mrs. Sutida | Suriyodorn | Risk Management Committee Member and Director |
| 4) Miss Rachanee | Mahatdetkul | Risk Management Committee Member and Director |
| 5) Mr. Sakdina | Manlerd | Risk Management Committee Member and Executive |

with Mrs. Sutida Suriyodorn as a Risk Management Committee's secretary

Remark : The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs.Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards.

Scope of authority of the Risk Management Committee

The Board of Risk Management Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Determine the risk management policy as framework for risk management
- 2) Assess risks by considering possible risks, both external and internal, which may occur and affect the Company's conduct of business, in order to establish measures to prevent and manage risks such as business risk, financial risk, strategic risk and operational risks. i.e. procedures in conducting business such as construction methods, contractor problems, fluctuations in the price of materials, etc.
- 3) Analyze the impact of risks on the Company and the possibility of such risks materializing, by analyzing each risk individually and the severity of the impact should the risk materialize
- 4) Formulate measures to follow up on operations that are causes of risk factors, to prevent and/or reduce the possibility of the risks materializing, and set levels of risks that can be accepted
- 5) Monitor and evaluate risk management and report the risk assessment results to the Board of Directors.

5. The Executive Committee

As at 31 December 2022, The Executive Committee consists of five directors

- | | | |
|------------------|---------------|-------------------------------------|
| 1) Mr. Suthep | Wongvorazathe | Chairman of the Executive Committee |
| 2) Mr. Vorasit | Pokachaiyapat | Chief Executive Officer |
| 3) Miss Dusadee | Tancharoen | Executive Director |
| 4) Mrs. Sutida | Suriyodorn | Executive Director |
| 5) Miss Rachanee | Mahatdetkul | Executive Director |

with Miss Pornphan Yantossilp as an Executive Committee's secretary

Remark : The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs.Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards.

Scope of authority of the Executive Committee

The Board of Executive Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Conduct management in the ordinary course of business and ensure compliance with Board of Directors's policies, relevant laws, conditions, and rules, memorandums of association, and company regulations
- 2) Review annual budget allocation to present to the Board of Directors for approval
- 3) Review investment projects to present to the Board of Directors
- 4) Review and approve the purchase of land and/or other assets for the Company and its subsidiary, and register such purchase at the Department of Lands, and approve temporary investment funds for use in the development of the land and/or other assets purchased, per the scope of authority and within the financial limit given to them by the Board of Directors

In light of this, approval of subsidiary transactions can only be done for a subsidiary in which the Company holds at least 90 percent of shares, and the transactions must not be related party transactions per Capital Market Supervisory Board's Notification or relevant laws.

- 5) Review and approve the sale of land and/or other assets of the Company or its subsidiary at no less than market value as at the date when the Board of Executive Committee passed a resolution approving the sale, per the scope of authority and within the financial limit given to them by the Board of Directors, and register such sale at the Department of Lands
- 6) Review and approve transactions that were not in the work plan, that did not exceed a limit of 100 million baht
- 7) Review and approve the Company's request for loan or credit from a financial institution, and use the fund obtained for the Company's ordinary course of business per the scope of authority and within the financial limit given to them by the Board of Directors
- 8) Review and approve opening and closing of an account and use of Banking services, and assign a person authorized to make payment from the Company's accounts
- 9) Review and approve legal transactions and corporate legal documents concerning asking for permission on project plan modification, method of project land allocation, land titling, subdivision and co-ownership of land, land survey, for instance, cadastral survey, subdivision in same ownership or in co-ownership, joint title deed, land allocation, and public use.

- 10) Prepare, make recommendations for, and formulate business policies and strategies and present to the Board of Directors
- 11) Review and approve marketing, advertising, and public relations plans
- 12) Evaluate the Company's operation results in terms of asset and financial management to ensure efficiency and effectiveness
- 13) Carry out other duties assigned by the Board of Directors

Assignment of authority, duties, and responsibilities to the Board of Executive Committee will be done in manners that will prevent executive director or persons assigned by them from approving transactions that may cause conflict of interest, as defined in Capital Market Supervisory Board's Notification. Exceptions are made in case of approval of transactions made in the ordinary course of business, in line with policies and regulations issued by the Board of Directors. The Board of Executive Committee will present such transactions to the Board of Directors and/or in a shareholders' meeting for approval of such transactions pursuant to laws governing securities and exchange and Capital Market Supervisory Board's Notification.

6. Management Committee

As at 31 December 2022, Management Committee consists of four directors and one executive

- | | | |
|------------------|---------------|---|
| 1) Mr. Vorasit | Pokachaiyapat | Chairman of Management Committee and Director |
| 2) Miss Dusadee | Tancharoen | Management Committee Member and Director |
| 3) Mrs. Sutida | Suriyodorn | Management Committee Member and Director |
| 4) Miss Rachanee | Mahatdetkul | Management Committee Member and Director |
| 5) Mr. Sakdina | Manlerd | Management Committee Member and Executive |

with Miss Pornphan Yantossilp as a Management Committee's secretary

Remark : The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs. Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards

Scope of authority of the Management Committee

The Board of Management Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Set company objectives, policies and strategies
- 2) Set operation plans and overall company direction
- 3) Ensure all objectives are met
- 4) Review issues to be presented to the Board of Directors and the Board of Executive Committee

6.1.2 Policy and guidelines related to shareholders And stakeholders

The company gives importance to the rights and equal treatment to various stakeholders related to the operations of the company, employees or executives of the company, customers, business partners, creditors, government sector and various agencies. This is because these groups of people will support the company to compete and generate profit until it is successful in the long term. The Board of Directors is well aware of the rights of stakeholders and treat stakeholders in accordance with the rights, conditions, laws and regulations In order for stakeholders to be looked after and treated with good care as follows

Shareholders:
<p>The Company is committed to conducting business in order to create maximum benefits and satisfaction among shareholders. It takes into consideration the growth of the Company's value in the long term, stable operating gains, and disclosure of information in transparent and credible manners.</p>
Employee:
<p>The Company recognizes the importance of employees as the driving forces behind the various work plans that lead the Company to achieve its business objectives. Therefore, the Company treats all employees fairly and equally, as follows:</p> <ol style="list-style-type: none">1. The Company has put in place a policy and guiding principles regarding employee remuneration and benefits. The Company pays appropriate remuneration to its employees, in line with the remuneration within the same industry. It also provides various benefits for its employees, such as annual physical exam, activities, sports game, company outing, year-end party, etc. It also emphasizes long-term personnel development by creating learning opportunities and promoting training and development. In 2016 the Company set up a provident fund as another option and an additional benefit for employees. For existing employees, participation in the provident fund is optional. Those who choose not to take part in the provident fund will receive retirement pay when retiring from the Company.2. The Company resolves to protect human dignity, human rights, and freedom, by ensuring that the Company's operations does not violate human rights, that personal data and information and employees' privacy are protected, and that all employees are treated equally. It also allows employees to file written complaints with their superiors.3. The Company has put in place a policy and guiding principles regarding safety and health in the workplace. It discloses accidents at work statistics, the rate of taken leave, and the rate of occupational illnesses. It aims to achieve zero accidents in all departments, which is one of the Company's goals.4. The Company has put in place a policy and guiding principles regarding training and development to increase employees' skills and competencies. It also discloses the average number of hours employees take part in trainings per year.

<u>Executive officers:</u>
The Company recognizes the importance of executive officers, as they play a leading role in formulating strategies and work plans, and overseeing the Company's operations to ensure it is in line with the direction and business goals set by the Board of Directors. Therefore, the Company pays appropriate and fair remuneration to executive officers, as incentive for them to manage the Company with determination and dedication, which will allow the Company to achieve its business goals.
<u>Business partners:</u>
The Company recognizes the importance of business partners, for their role in supporting and driving the Company's operations, allowing the Company to grow and achieve its business goals. Therefore, the Company respects its business partners and treats them with fairness, taking into consideration the interest of both parties when conducting business and strictly complying with trading conditions to which both parties have agreed.
<u>Customer:</u>
The Company resolves to provide services as agreed with customers, and always put customers first. It will foster good and stable relationships with customers. The Company has put in place a policy and guiding principles regarding the treatment of customers under the topic of "Code of conduct – towards customers."
<u>Trading partners:</u>
The Company recognizes the importance of trading partners for their role in supporting and driving the Company's operations, and enabling a smooth conduct of business. The Company therefore treats trading partners with fairness and in compliance with the trading conditions to which both parties have agreed. The Company has also put in place a policy and guiding principles regarding the treatment of trading partners and creditors under the topic of "Code of conduct – towards trading partners and creditors."
<u>Competitors:</u>
The Company aims to conduct business by adhering to fair trade practices. It focuses on increasing its competitiveness by increasing potential and service quality. It does not wish to damage competitors' reputation by means of libel or other dishonest means. The Company has also put in place a policy and guiding principles regarding the treatment of trading partners and creditors under the topic of "Code of conduct – towards competitors."
<u>Environment:</u>
The Company cares about the environment. Some of the initiatives undertaken by the Company include the implementation of energy- and water-saving strategies, and a campaign encouraging people to refrain from smoking at the workplace, etc.

<u>Community/society:</u>
The Company supports social projects and activities that aim to increase the quality of life for people in the community. It also promotes and instills a sense of responsibility towards society among employees of all levels.
<u>Public agencies and other supervisory organizations:</u>
The Company recognizes the importance of public agencies and other supervisory organizations for their roles, duties, and responsibilities in overseeing the Company's operations. The Company is committed to cooperating with these agencies and complying with relevant laws, rules, and regulations, to facilitate the work of such agencies. It has also assigned the secretary to review compliance with relevant laws, rules, and regulations, and the internal auditor to review compliance with operating manuals and relevant standards, and report the review results to Audit Committee on an annual basis.

The Company has put in place a policy to protect the rights of all stakeholders and treat them equally, as the support of these stakeholders helps increase the Company's competitiveness and create profits, thereby contributing to its success in the long term. The Company respects the rights of each group of stakeholders, by complying with the regulations, laws, and rules, as well as contracts and agreements made between one another. It also discloses sufficient information to allow stakeholders to perform their parts efficiently. It does not take action that violates or negatively affects any stakeholders' Policy and guidelines related to shareholders and stakeholders cover caring for shareholders, equal treatment of shareholders, encouraging shareholders to exercise their rights, internal data protection, prevention of conflict of interest, responsibility towards stakeholders, compensation in case of violation of rights, anti-corruption and measures for those who violate with said policy and guidelines.

In 2022, one shareholders' meeting, i.e. the 2022 Annual General Meeting of Shareholders, was held on 26 April 2022. In the meeting, shareholders considered and voted in various matters per relevant laws. The Company sent out invitation letters, authorization letters, and documents related to the meeting no less than 7 days, and in some cases up to 14 days, prior to the meeting, which gave shareholders ample time to read all the necessary information before attending the meeting. Each topic of discussion in the meeting agenda was accompanied by the opinions of the Board of Director, and the meeting agenda was sent to all the shareholders, whose names were compiled in a list per Article 89/26 and Article 225 of the Securities and Exchange Act B.E. 2535 (1992), using the methods of Record Date or Book Closing Date (as the case may be). In addition, the Company published information related to the meeting on the Company's Website, www.mk.co.th, prior to the meeting, to allow shareholders to study it before the meeting. In addition, the Company allows shareholders to submit questions related to the meeting agenda before the meeting takes place, to ensure maximization of their benefits from the meeting and protect their interest. On the day of shareholders' meeting the Company facilitates the shareholders by providing stamp duty on Proxy at free of charge for the proxy who attends the meeting.

Furthermore, The Board of Directors ensures that potential cases of conflict of interest are managed and monitored, and that a guideline and principle is put in place to make such cases follow operating procedures and make related disclosure in accordance with the laws, for the interest of the Company and shareholders. Stakeholders shall not take part in this decision making. In addition, the Board of Directors requires that the directors report their stakes before considering meeting agendas, and these are recorded in the minutes of the Board's meetings. The guideline is as follows:

Conflict of interest

The Board of Directors and management resolve to carefully prevent conflict of interest from arising, by conducting business with honesty, reasonableness, independence, and in compliance with the code of conduct for the Company's benefits.

Therefore, in order to achieve transparency and prevent personnel from gaining personal interest, the Company requires its directors, executive officers, and related persons to disclose information that may cause conflict of interest to the Board of Directors, by providing this information to Company Secretary . In addition, directors and executive officers are required to report any company securities held, per Securities and Exchange Commission regulations. Moreover, in meetings of the Board of Directors and Sub-Committees , all stakeholders who have entered into transactions or may have conflict of interest with the Company are required to abstain from expressing their opinions and casting their vote in such transactions/matters.

Furthermore, directors and executive officers are required to report their interest relating to management of the Company or its subsidiary, or that of related persons, to the Company, pursuant to Article 89/14 of the Securities and Exchange Act B.E. 2535 (1992), amended for the fourth time in 2008. In addition, the information in such report will make it easier for the Company to ensure that directors and executive officers honor their fiduciary obligations. Therefore, directors and executives are required to declare their interest in a form prepared by Thai Listed Companies Association. The form must be submitted within 30 days after the Board of Directors have passed a resolution, or after their appointment as director or executive officer. In case where there is a change in information, the director or executive officer must fill in another form and submit it to Company Secretary no later than 15 days after the change has occurred.

In addition, the Company has put in place a policy and procedures for the approval of transactions that may cause conflict of interest or related party transactions, requiring disclosure of names, relationships between related parties, pricing policy, transaction values, as well as Board of Directors opinion on such transactions. This is in strict compliance with the Securities and Exchange Commission and Stock Exchange of Thailand regulations governing related party transactions, and is aimed at protecting all shareholders' interest equally.

The Company or its subsidiary may have transactions with a director, executive officer, or other related person. However, the transactions must have terms and conditions normally expected of transactions made between ordinary parties, and not be influenced by the fact that one of the parties is a director, executive officer, or related person, pursuant to Article 89/12 of the Securities and Exchange Act B.E. 2551 (2008), (fourth amendment). The Board of Directors may approve such transactions between the

Company or its subsidiary and a director, executive officer, or other related person, as it sees appropriate.

As a result, for the benefits and appropriateness of the Company's business operation, the Board of Directors' Meeting No. 6/2017 on 1 November 2017 approved that management committee may enter into transactions between the Company or subsidiaries and directors, executives or a related persons if such transaction has the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person. As for connected transactions of other manners, they shall be in compliance with the Securities and Exchange Act (No. 4) B.E. 2551 and the Notification of the Office of the Board of Governors of the Stock Exchange of Thailand. The Company shall propose to the Board of Directors together with the Audit Committee to consider approving the transactions, or propose to the shareholders' meeting for approval as the case may be.

The Company recognizes the importance of entering into related party transactions. All related party transactions must be conducted with the Company's and its shareholders' maximum interest taken into consideration, and in line with general pricing and trade competition conditions. The price and other selling conditions of related party transactions are similar to those of arms-length transactions. All related party transactions must be reviewed by Audit Committee, which consists wholly of independent directors. Audit Committee have presented related party transactions and transactions that present cases of conflict of interest to the Board of Directors for their careful consideration, strictly adhered to the rules set by the Stock Exchange of Thailand in its report, and disclosed all this information on a quarterly basis. They have also disclosed all the significant information in the Annual Report and Annual Information Form (Form 56-1)

6.2 Code of Conduct

The Company has put in place and strictly implemented regulations on the code of conduct among directors, executive officers, and all employees, who understand the importance of strict compliance with such regulations, as expected of them from the Company and shareholders. The code of conduct encompasses the following principles

1. Rule of law
2. Transparency
3. Fairness and justice
4. Focus on customers
5. Responsibility towards society
6. Non-involvement in politics

The code of conduct for management and employees can be divided into the following areas:

Towards the Company

- Management is responsible for the declaration of code of conduct and must ensure that all employees are informed of and understand the code of conduct.

- Management is responsible for compliance with the Company's code of conduct
- Management pays attention to the necessary procedures for employees' compliance with the code of conduct

Management, including the Board of Directors and directors that are not members of the Board of Directors, conducts the Company's business

Towards owners or shareholders

- Management has an obligation towards owners or shareholders, as they do not own the Company
- Management must act or make any decision with honesty and fairness to all shareholders, including minority shareholders, for the Company's benefits, as follows:
 - Operate under the scope of authority and for the Company's benefits
 - Carry out their duties to the best of their ability and with caution, as expected of persons of their calibers
 - Ensure that no company assets sustain damage or become unusable
 - Regularly report operating results that are complete and accurate. Report both positive and negative aspects of the Company, in reasonable and credible manners, and backed up with sufficient facts.
 - Do not disclose confidential information to other parties without appropriate authorization, especially to competitors
 - Compile and explain any necessary data and information to the auditor to facilitate their work

Towards customers

- Management must
 - Disclose information on products to customers completely, accurately, and honestly
 - Sell products at the agreed price, or at the fair price in case where there are no prior agreements
 - Not cause unrealistic expectations or misunderstanding in the products in terms of quality, price, quantity, or conditions
- Management has a responsibility for customers in terms of product quality: by setting and maintaining product standard
 - Set minimum standard that can be accepted for products and ensure that it is met.
 - Make it known that a higher standard that is commonly achieved, leads to higher remuneration
 - Procure channels to receive complaints from customers in regards to product quality, and respond to customer needs promptly

- Ensure that all products are made in accordance to company standard
- Management manages the Company with the objectives of decreasing costs and protecting the interest of customers as much as possible, especially by:
 - Being committed to increasing the Company's efficiency
 - Making sure that employees constantly realize that company resources are limited and use them efficiently
 - Decreasing company costs, insofar as that does not negatively affect operations or product standards
- Management must ensure to protect customers' information and treat it with strict confidentiality, and will not use such information for their own benefits or those of others.

Towards trading partners and creditors

- Management must ensure good practices when purchasing from trading partners, by:
 - Not requesting, obtaining, or paying bribes to trading partners, or informing trading partners of their employees' intention to bribe the Company employees
 - Ending transactions with trading partners who have bribed the Company's employees
 - Making sure that no bribes are made to employees of trading partners
- Management will ensure that any liabilities, including loans, with trading partners are in line with trading conditions, by:
 - Strictly complying with obligations towards creditors, in terms of repayment, maintenance of pledged securities, and other conditions, including not using the loans obtained for purposes that violate the loan agreements
 - Managing the Company in manners that do not increase risk for its creditors
 - Reporting the Company's financial status to creditors based on complete and accurate facts
 - Considering the creditors' interest, in case where the term of the loan is extended
 - Notifying creditors in advance, in case where the Company is unable to comply with the obligations in the agreements, and work with the creditors to find a solution

Towards competitors

- Management must
 - Act in accordance with fair trade practices
 - Not make dishonest or groundless accusations against competitors or their products
 - Not gain access to competitors' confidential information by illegal or inappropriate means

Towards employees

- Management must

- Pay appropriate compensation to employees, based on their individual levels of skills, competencies, responsibilities, and performance
- Emphasize training and development for all employees, so that they can obtain career advancement and job security
- Outline measures to ensure safety for employees and their belongings, and ensure that there are adequate tools and equipment and that they are properly maintained
- Promote employees' participation in setting the Company's direction and finding solutions to problems faced by the Company
- Appoint, transfer, promote, reward or punish employees with honesty
- Strictly comply with labor laws and other relevant regulations
- Publish the code of conduct and distribute to all employees, and make sure they understand practices and roles expected of them
- Not act in manners that jeopardize job security of employees without reason
- Treat employees with respect for human dignity and rights

Towards society

- In the conduct of business, management will
 - Take into consideration environmental impacts, natural resources, and public benefits
 - Not decrease operating costs without considering society's overall welfare
 - Take part in ongoing company projects aimed at increasing quality of life

Employees' responsibility towards the Company

- Carry out their duties with responsibility, honesty, and loyalty, to achieve career advancement, job security, and company growth
- Maintain harmony at the workplace, and work to address any problems efficiently together as a team
- Carry out their duties with care, dedication, and patience, to achieve quality, efficiency, and profits and lead the Company to business excellence
- Use company resources efficiently, and prevent damage and loss
- Keep the information of customers, trading partners, and the Company strictly confidential, and not disclose the Company's data and production technology
- Cooperate with and assist other colleagues for the Company's benefits, and respect the rights of other employees
- Always take care to achieve safety at the workplace and favorable working conditions
- Share knowledge and experience with colleagues, with company interest and goals in mind
- Not make unfair or groundless accusations against the Company, management, or fellow employees

- Notify relevant departments or management, in case where an illegal or inappropriate act is committed at the Company
- Respect superiors and employees more senior to them
- Not seek personal benefits, or help others to gain benefits, on the basis of their position

6.3 Changes and Developments of Policy, Practices and Corporate Governance System in the past year

6.3.1 The Corporate Governance Committee gives importance to the review of the Company's good corporate governance policy, and ethics and business ethics of the company over the past year to enhance the efficiency of governance and show that the corporate governance standard of the company has been raised in accordance with good corporate governance principles for listed companies in 2017 (CG Code) at least once a year

6.3.2 The Corporate Governance Committee and Board of director has determined the sustainability policy of the Company as part of the sustainable business concept (Sustainability) to promote the environment, society and good governance (ESG: Environmental, Social and Governance) including the vision or mission of the company to have social and environmental responsibility as an important factor for the sustainable business operation of the company. By operating the Company's business based on environmental, social and governance (ESG) principles, it will help to create sustainable growth and good long-term returns for the Company. It also helps to create shared good values between the company, employees and stakeholders. Cultivating an attitude and creating an organizational culture in order for employees to have social responsibility that coexist until it is considered as the main mission to create projects and activities that benefit society and community development and realize the importance of responsibility to society and community as well as continuing to care for the environment. Building good relationships and taking into account the impacts that may have on shareholders, employees, communities, customers, business partners, government agencies, as well as society and the nation, and in line with the sustainable development goals nationally and internationally (Sustainable Development Goals (SDGs)

6.3.3 The Corporate Governance Committee and Board of director attach great importance of compliance with Personal Data Protection Act B.E. 2562. Therefore, they have announced policy to protect personal data related to clients, suppliers, visitors, or related third parties, including employees of the Company. The Company will monitor the compliance of Personal Data Protection policy announced in 2022, including any future amendments to avoid infringement or damage that will continue to affect the owner of personal data

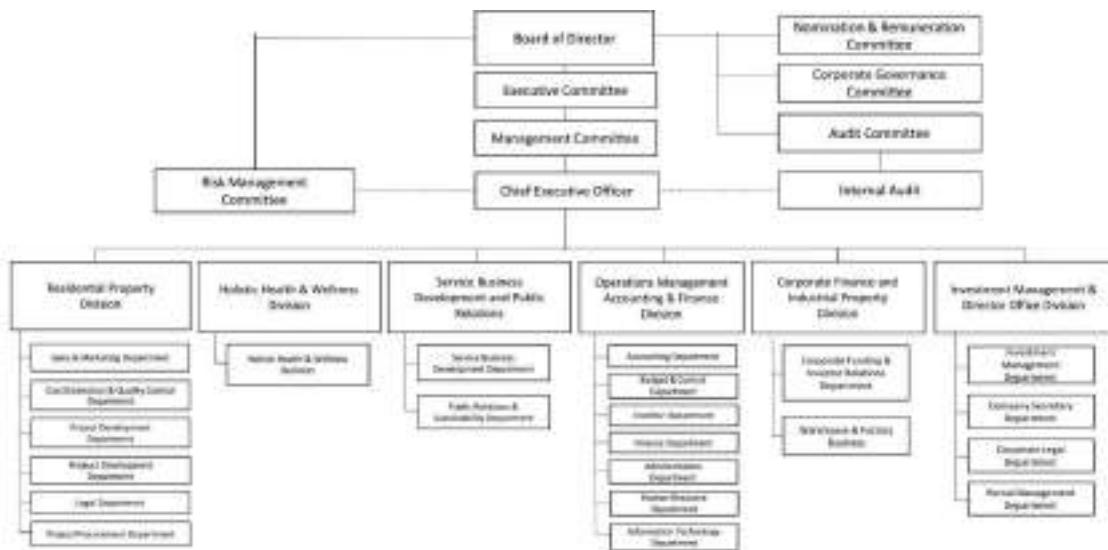
In addition, in order to comply with the Personal Data Protection Act B.E. 2562, on 20 May 2022 the Company has announced policy and practices for collecting, using, or disclosing personal data of persons related to the Company.

6.3.4 In addition, the Company participated in the Corporate Governance Survey of Thai Listed Companies for the year 2022, where the Company received an overall average score of 86%, which is higher than the overall average of listed companies.

7. Coperate governance structure and board of director information, sub-committee, magament, employee and other

7.1 Board of director structure

Board of director structure contains with board of director, audit committee, executive committee, nomination and remuneration committee, corporate governance committee, risk management committee and management as chart below;



Remark : Board of Directors' Meeting No.12/2022 held on 22 December 2022 approved this new organization chart.

7.2 Board of director information

7.2.1 Board of director component

As of 31 December 2022, board of director are 8 persons, with executive committee of 5 persons and non-executive committee, independent directors of 3 persons

7.2.2 List of director and controlling person of the Company

Board of director

- | | | |
|--------------------|----------------|--|
| 1) Mr.Sutep | Wongvorazathe | Chairman of Executive Committee |
| 2) Mr.Vorasit | Pokachaiyapat | Chief Executive Officer |
| 3) Miss Dusadee | Tancharoen | Director and Executive Director |
| 4) Mrs. Sutida | Suriyodorn | Director and Executive Director |
| 5) Miss Rachanee | Mahatdetkul | Director and Executive Director |
| 6) Mr. Att Tongyai | Asavanund | Independent Director and Chairman of Audit Committee |
| 7) Mr. Chaiyapont | Timsootheepant | Independent Director and Audit Committee |

- 8) Mr.Theraphan Jittalarn Independent Director and Audit Committee
with Miss Pornphan Yantossilp as a Company's secretary

Remark : The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs.Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards.

7.2.3 Roles of Board of Director of the Company

Scope of Duties of Company Directors

Board of director has the power and duty to set policies and operating directions. To comply with the prescribed policies with efficiency and effectiveness by emphasizing on increasing economic value to the business and preserving the best interests of the shareholders. Which must perform their duties in accordance with the law, objectives and regulations of the company. And to comply with the resolutions of the shareholders' meeting with honesty

Directors authorized to sign documents on behalf of the Company

As at 31 December 2022, the directors authorized to sign documents that will be binding on the Company consist of Mr. Suthep Wongvorazathe, Mrs. Sutida Suriyodorn, Mr.Vorasit Pokachaiyapat, Miss Rachanee Mahatdetkul and Miss Dusadee Tancharoen any two of these five directors can sign jointly and affixing the Company seal, except for in cases of the applications for installation of meters of pipe water, electricity and telephone, the applications for assignment and accepting assignment of rights to use electricity, pipe water and telephone, the applications for assignment, accepting assignment and refund of deposit guarantee for using of electricity, pipe water and telephone, or the application for construction permit, or the application for house registration number and the applications for licenses of road and drain connection, Mr. Suthep Wongvorazathe or Mrs. Sutida Suriyodorn or Mr. Vorasit Pokachaiyapat or Miss Rachanee Mahatdetkul or Miss Dusadee Tancharoen can sign singly and affixing the Company seal.

Remark : The Board of Directors No.12/2022 held on 22 December 2022 approved to amend the names of the directors who could sign to bind the Company to be as " Mr. Suthep Wongvorazathe, Mr. Vorasit Pokachaiyapat , Miss Rachanee Mahatdetkul , Miss Dusadee Tancharoen and Mrs.Siripan Leewanun any two of these five directors can sign jointly and affixing the Company seal, except for in cases of the applications for installation of meters of pipe water, electricity and telephone, the applications for assignment and accepting assignment of rights to use electricity, pipe water and telephone, the applications for assignment, accepting assignment and refund of deposit guarantee for using of electricity, pipe water and telephone, or the application for construction permit, or the application for house registration number and the applications for licenses of road and drain connection, Mr. Suthep Wongvorazathe or Mr. Vorasit Pokachaiyapat or Miss Rachanee Mahatdetkul or Miss Dusadee Tancharoen or Mrs.Siripan Leewanun can sign singly and affixing the Company seal". The Company has registered at the Department of Business Development, Ministry of Commerce on 5 January 2023.

7.3 Sub Committees

7.3.1 Sub Committees of the Company

Sub committees consist of 6 committees which are Audit Committee, The Executive Committee, Nomination and Reuneration Committee, Corporate Governance Committee, The Risk Management Committee and Management Committee as detail below;

7.3.2 Sub Committee Information

A) Audit Committee

As of 31 December 2022, consists of three independent directors

- 1) Mr. Att Tongyai Asavanund Chairman of Audit Committee
- 2) Mr. Chaiyapont Timsootheepant Audit Committee Member
- 3) Mr. Theraphan Jittalarn Audit Committee Member

with Mrs. Niramon Atsawakunkamnurd as an Audit Committee's secretary

From total audit committee of 3 persons, there is Mr.Att Tongyai Asavanund who have knowledge and experience in reviewing financial statements of the company

B) Nomination and Remuneration Committee

As of 31 December 2022, Nomination and Remuneration Committee Consists of three independent directors and one director

- 1) Mr. Att Tongyai Asavanund Chairman of Nomination and Remuneration Committeeand independent director
- 2) Mr. Vorasit Pokachaiyapat Normination and Remuneration Committee Member and director
- 4) Mr. Theraphan Jittalarn Normination and Remuneration Committee Member and independent director
- 5) Mr. Chaiyapont Timsootheepant Normination and Remuneration Committee Member and independent director

with Miss Pornphan Yantossilpas a Nomination and Remuneration Committee's secretary

C) Corporate Governance Committee

As of 31 December 2022, Corporate Governance Committee consists of three independent directors

- 1) Mr. Att Tongyai Asavanund Chairman of Corporate Governance Committee
- 2) Mr. Chaiyapont Timsootheepant Corporate Governance Committee
- 3) Mr. Theraphan Jittalarn Corporate Governance Committee

With Miss Pornphan Yantossilpas a Corporate Governance Committee's secretary

D) The Risk Management Committee

As of 31 December 2022, The Risk Management Committee consists of three directors and one executive

- 1) Mr. Vorasit Pokachaiyapat Chairman of Risk Management Committee and Director
- 2) Miss Dusadee Tancharoen Risk Management Committee Member and Director
- 3) Mrs. Sutida Suriyodorn Risk Management Committee Member and Director
- 4) Miss Rachanee Mahatdetkul Risk Management Committee Member and Director
- 5) Mr. Sakdina Manlerd Risk Management Committee Member and Executive

With Mrs. Sutida Suriyodorn as a Risk Management Committee's secretary

Remark : The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs. Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards

E) The Executive Committee

As of 31 December 2022, The Executive Committee consists of five directors

- 1) Mr. Suthep Wongvorazathe Chairman
- 2) Mr. Vorasit Pokachaiyapat Chief Executive Officer
- 3) Miss Dusadee Tancharoen Executive Director
- 4) Mrs. Sutida Suriyodorn Executive Director
- 5) Miss Rachanee Mahatdetkul Executive Director

With Miss Pornphan Yantossilpas a Executive Committee's secretary

Remark : The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs. Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards

F) Management Committee

As of 31 December 2022, Management Committee consists of four directors and one executive

- 1) Mr. Vorasit Pokachaiyapat Chairman of Management Committee and Director
- 2) Miss Dusadee Tancharoen Management Committee Member and Director
- 3) Mrs. Sutida Suriyodorn Management Committee Member and Director
- 4) Miss Rachanee Mahatdetkul Management Committee Member and Director
- 5) Mr. Sakdina Manlerd Management Committee Member and Executive

With Miss Pornphan Yantossilp as a Management Committee's secretary

Remark : The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs.Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards.

The summary of positions held by directors and executives in the Board of Directors and various sub-committees is as follow:

Name	Board of Directors	Independent Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee	Executive Committee	Management Committee	Authorized Director
1) Mr. Suthep Wongvorazathe	✓						✓		✓
2) Mr.Vorasis Pokachaiyapat	✓			✓		✓	✓	✓	✓
3) Miss Dusadee Tancharoen	✓					✓	✓	✓	✓
4) Mrs. Sutida Suriyodorn	✓					✓	✓	✓	✓
5) Miss Rachanee Mahatdetkul	✓					✓	✓	✓	✓
6) Mr. Att Tongyai Asavanund	✓	✓	✓	✓	✓				
7) Mr. Chaiyapont Timsoothepant	✓	✓	✓	✓	✓				
8) Mr. Theraphan Jittalarn	✓	✓	✓	✓	✓				
9) Mr.Sakdina Manlerd							✓		✓

Remark : The Board of Directors No.12/2022 held on 22 December 2022 resolved as follows:

1. Acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs.Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards.

2. Approved to amend the names of the directors who could sign to bind the Company to be as follows :-

" Mr. Suthep Wongvorazathe, Mr. Vorasis Pokachaiyapat , Miss Rachanee Mahatdetkul , Miss Dusadee Tancharoen and Mrs.Siripan Leewanun any two of these five directors can sign jointly and affixing the Company seal, except for in cases of the applications for installation of meters of pipe water, electricity and telephone, the applications for assignment and accepting assignment of rights to use electricity, pipe water and telephone, the applications for assignment, accepting assignment and refund of deposit guarantee for using of electricity, pipe water and telephone, or the application for construction permit, or the application for house registration number and the applications for licenses of road and drain connection, Mr. Suthep Wongvorazathe or Mr. Vorasis Pokachaiyapat or Miss Rachanee Mahatdetkul or Miss Dusadee Tancharoen or Mrs.Siripan Leewanun can sign singly and affixing the Company seal"

The Company has registered at the Department of Business Development, Ministry of Commerce on 5 January 2023.

Scope of authority of the Audit Committee

The Board of Audit Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Review the Company's financial reporting process to ensure that it is accurate and adequate.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and effective, determine an internal audit unit's independence, and approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of internal audit
- 3) Review the Company's compliance with the law on securities and exchange, Stock Exchange of Thailand regulations, and the laws relating to the Company's business.
- 4) Consider, select and nominate an independent person to be the Company's auditor, propose such person's remuneration, dismissal of the auditor and hold a meeting with the auditor, in which no members of management attend, at least once a year.
- 5) Review related party transactions, or transactions that may lead to conflict of interests, to ensure that they are in compliance with the laws and Stock Exchange of Thailand regulations, reasonable and for the highest benefits of the company.
- 6) Prepare, and disclose in the Company's Annual Report, an the Board of Audit Committee report which must be signed by chairman of the Board of Audit Committeeand include at least the following information.
 - (A) An opinion on the accuracy, completeness and creditability of the Company's financial reports
 - (B) An opinion on the adequacy of the Company's internal control system
 - (C) An opinion on compliance with the law on securities and exchange, the Stock Exchange of Thailand regulations, or the laws relating to the Company's business
 - (D) An opinion on the suitability of the auditor
 - (E) An opinion on the transactions that may lead to conflict of interests
 - (F) The number of the Board of Audit Committee'smeetings, and attendance in such meetings by each committee member,
 - (G) An overall opinion or comment about Audit Committee's implementation of its duties in accordance with the charter
 - (H) Other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors
- 7) Perform any other act as assigned by the Company's Board of Directors, with the approval of the Board of Audit Committee.

In the performance of duties under the scope of authority and duty, the Audit Committee has the power to summon instruct the management, Head of department or employees of related companies to give opinions, attend meetings or send documents as deemed necessary. Moreover, performing duties within the scope of authority of this regulation. The audit committee may seek advice from independent, third-party advisors or other professional experts. If deemed necessary and appropriate, the Company will be responsible for all expenses.

Therefore, chairman of the Audit Committee and the Audit Committee members hold position for a term of 3 years, when the term expires, they may be re-appointed for another term.

Scope of authority of the Nomination and Remuneration Committee

The Board of Nomination and Remuneration Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Determine criteria and principles for the selection of company directors, and nominate suitably qualified persons and present them to the Board of Directors for appointment, or to a shareholders' meeting for election, as company directors, as the case may be.
- 2) Consider criteria and procedures for paying remuneration to company directors and subcommittee members, and present to the Board of Directors and then in a shareholders' meeting for approval.
- 3) Determine criteria and principles for the selection of executive officers, and nominate suitably qualified persons for the positions, and present to the Board of Directors for their consideration and approval.
- 4) Prepare criteria and procedures of annual performance reviews for the Chairman of the Executive Committee and the Chief Executive Officer and present them to the Board of Directors for approval.
- 5) Ensure that the qualifications of independent directors are suitable for the nature of the Company's business and in line with the criteria set by the Securities and Exchange Commission, Thailand.
- 6) Give advice about the preparation and review of succession plans for Executive Officers.
- 7) Appoint one (1) company employee to serve as Secretary to the Nomination and Remuneration Committee.
- 8) Carry out any other responsibilities as assigned by the Board of Directors.

Scope of authority of the Corporate Governance Committee

The Board of Corporate Governance Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Formulate the Company's corporate governance policy and its code of conduct for business operations relevant to its business operations.

- 2) Revise the Company's corporate governance policy and its code of conduct for business operations to ensure relevance to its business operations and compliance with corporate governance principles for listed companies. Make changes to them to align with the guidelines provided by the Securities and Exchange Commission of Thailand, the Stock Exchange of Thailand, and any other regulatory body.
- 3) Give advice and recommendations as guidance for operations to be implemented by the Board of Directors and management, to ensure compliance with corporate governance principles.
- 4) When formulating, making changes to, revising, or reviewing the corporate governance policy, present it to the Board of Directors to consider.
- 5) Carry out any other responsibilities as assigned by the Board of Directors.

Scope of authority of the Risk Management Committee

The Board of Risk Management Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Determine the risk management policy as framework for risk management
- 2) Assess risks by considering possible risks, both external and internal, which may occur and affect the Company's conduct of business, in order to establish measures to prevent and manage risks such as business risk, financial risk, strategic risk and operational risks. i.e. procedures in conducting business such as construction methods, contractor problems, fluctuations in the price of materials, etc.
- 3) Analyze the impact of risks on the Company and the possibility of such risks materializing, by analyzing each risk individually and the severity of the impact should the risk materialize.
- 4) Formulate measures to follow up on operations that are causes of risk factors, to prevent and/or reduce the possibility of the risks materializing, and set levels of risks that can be accepted.
- 5) Monitor and evaluate risk management and report the risk assessment results to the Board of Directors.

Scope of authority of the Executive Committee

The Board of Executive Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Conduct management in the ordinary course of business and ensure compliance with Board of Directors's policies, relevant laws, conditions, and rules, memorandums of association, and company regulations
- 2) Review annual budget allocation to present to the Board of Directors for approval
- 3) Review investment projects to present to the Board of Directors

- 4) Review and approve the purchase of land and/or other assets for the Company and its subsidiary, and register such purchase at the Department of Lands, and approve temporary investment funds for use in the development of the land and/or other assets purchased, per the scope of authority and within the financial limit given to them by the Board of Directors

In light of this, approval of subsidiary transactions can only be done for a subsidiary in which the Company holds at least 90 percent of shares, and the transactions must not be related party transactions per Capital Market Supervisory Board's Notification or relevant laws.
- 5) Review and approve the sale of land and/or other assets of the Company or its subsidiary at no less than market value as at the date when the Board of Executive Committee passed a resolution approving the sale, per the scope of authority and within the financial limit given to them by the Board of Directors, and register such sale at the Department of Lands.
- 6) Review and approve transactions that were not in the work plan, that did not exceed a limit of 100 million baht.
- 7) Review and approve the Company's request for loan or credit from a financial institution, and use the fund obtained for the Company's ordinary course of business per the scope of authority and within the financial limit given to them by the Board of Directors.
- 8) Review and approve opening and closing of an account and use of Banking services, and assign a person authorized to make payment from the Company's accounts.
- 9) Review and approve legal transactions and corporate legal documents concerning asking for permission on project plan modification, method of project land allocation, land titling, subdivision and co-ownership of land, land survey, for instance, cadastral survey, subdivision in same ownership or in co-ownership, joint title deed, land allocation, and public use.
- 10) Prepare, make recommendations for, and formulate business policies and strategies and present to the Board of Directors.
- 11) Review and approve marketing, advertising, and public relations plans.
- 12) Evaluate the Company's operation results in terms of asset and financial management to ensure efficiency and effectiveness.
- 13) Carry out other duties assigned by the Board of Directors.

Assignment of authority, duties, and responsibilities to the Board of Executive Committee will be done in manners that will prevent executive director or persons assigned by them from approving transactions that may cause conflict of interest, as defined in Capital Market Supervisory Board's Notification. Exceptions are made in case of approval of transactions made in the ordinary course of business, in line with policies and regulations issued by the Board of Directors. The Board of Executive Committee will present such transactions to the Board of Directors and/or in a shareholders' meeting for approval of such transactions pursuant to laws governing securities and exchange and Capital Market Supervisory Board's Notification.

Scope of authority of the Management Committee

The Board of Management Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Set company objectives, policies and strategies.
- 2) Set operation plans and overall company direction.
- 3) Ensure all objectives are met.
- 4) Review issues to be presented to the Board of Directors and the Board of Executive Committee.

7.4 Executive Information

7.4.1 Executive Structure

Names of Executives¹⁾ as at 31 December 2022 consist of

	<u>Name</u>	<u>Position</u>
1) Mr.Suthep	Wongvorazathe	Chairman and Chairman of Executive Director
2) Mr. Vorasit	Pokachaiyapat	Chief Executive Officer
3) Miss Dusadee	Tancharoen	Executive Director acting Holistic Health & Wellness Division
4) Mrs. Sutida	Suriyodorn ²⁾	Senior Executive Vice President of Operations Management Accounting & Finance Division
5) Miss Rachanee	Mahatdetkul	Executive Director acting Corporate Finance and Industrial Property Division
6) Mr. Sakdina	Manlerd	Senior Executive Vice President of Residential Property Division
7) Miss Pornphan	Yantossilp	Senior Executive Vice President of Investment Management and Director Office Division
8) Mrs.Niramon	Atsawakunkamnurd	Vice President of Accounting Department
9) Miss Busara	Rogesotorn	Vice President of Finance Department

Remark : ¹⁾ Management means definition of The Securities and Exchange Commission.

²⁾The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs.Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company.

The appointment shall be effective as of 1 January 2023 onwards

The responsibility of the Chairman of the Board as follows:

- 1) Regulate and monitor to ensure that the Board of Directors operates efficiently and achieves the organization's objectives and goals;
- 2) Ensure that every director contributes to creating an ethics-based organizational culture and enforcing good corporate governance;
- 3) Set agendas for Board meetings after deliberation with the Chief Executive Officer, and ensure that measures for significant issues are included as meeting agendas;

- 4) Allocate sufficient time for management to raise issues and for directors to discuss significant issues thoroughly; encourage directors to exercise their judgment with care and express their opinions freely;
- 5) Promote amicable relations between executive and non-executive directors, as well as between the Board and management.

Scope of authority of Chief Executive Officer

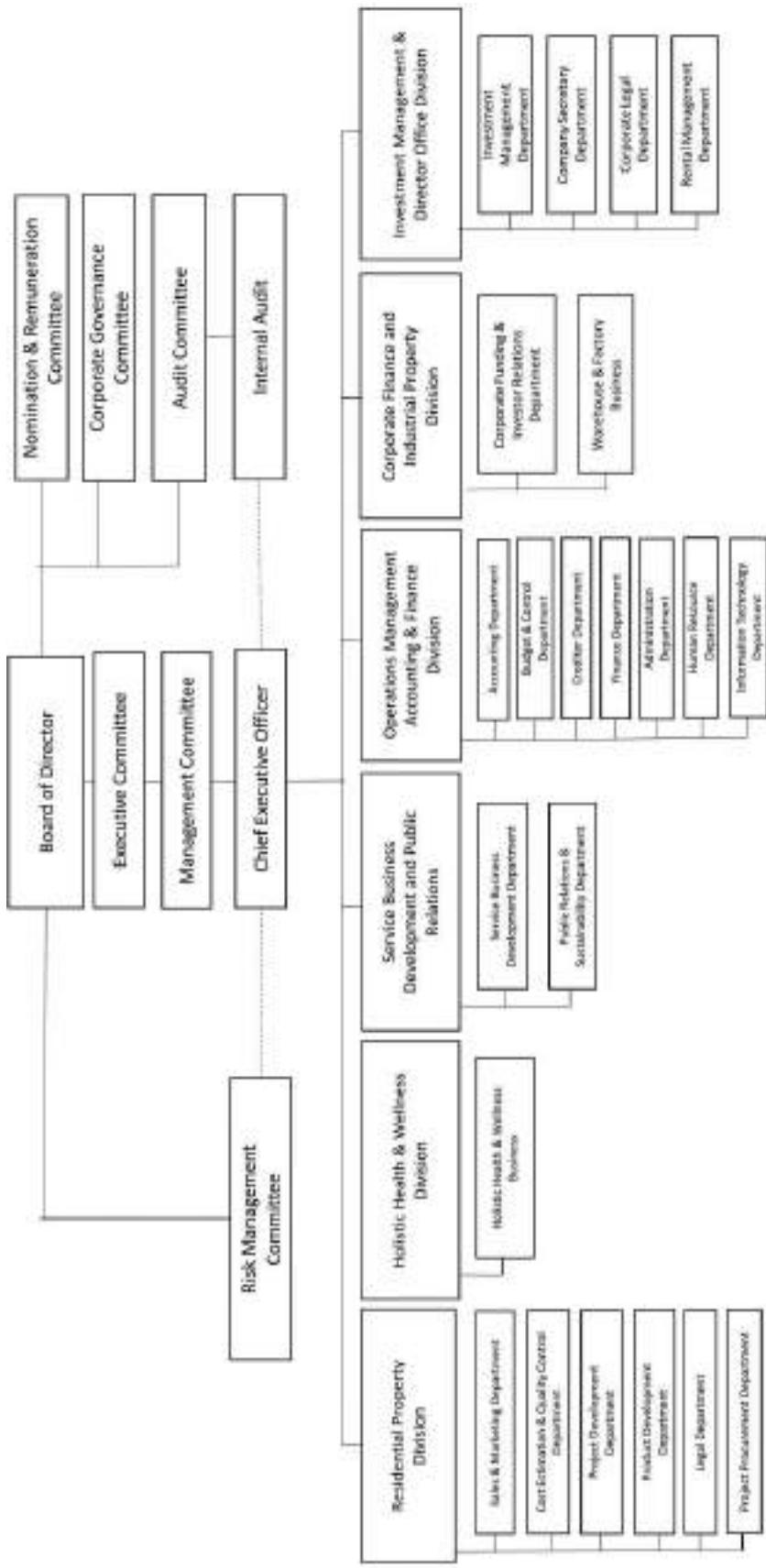
- 1) Set policies, direction, and strategies for the Company's operations and present them to the Board of Directors, and ensure compliance with the policies, direction, and strategies approved by the Board of Directors
- 2) Set business plans, budget, and scope of authority of company departments and divisions, and present them to the Board of Directors for approval
- 3) Oversee company operations to ensure compliance with Board of Directors policies, relevant laws, conditions, rules, and memorandums of association, and company regulations
- 4) Appoint advisors to provide advice on the Company's operations
- 5) Review and approve the purchase of land and/or other assets for the Company and its subsidiary, and approve temporary investment funds for use in the development of the land and/or other assets purchased, per the scope of authority and within the financial limit given to them by the Board of Directors, and notify the Board of Executive Committee in a meeting in order for the Board of Executive Committee to pass a resolution authorizing the legal registration of such purchase at the Department of Lands

In light of this, approval of subsidiary transactions can only be done for a subsidiary in which the Company holds at least 90 percent of shares, and the transactions must not be related party transactions per Capital Market Supervisory Board's Notification or relevant laws.

- 6) Review and approve the sale of land and/or other assets of the Company or its subsidiary at no less than market value as at the date when the sale was approved, and notify the Board of Executive Committee in a meeting in order for the Board of Executive Committee to pass a resolution authorizing the legal registration of such purchase at the Department of Lands
- 7) Review and approve transactions that were not in the work plan, that did not exceed a limit of 50 million baht
- 8) Carry out other duties assigned by the Board of Directors

It should be noted that assignment of authority, duties, and responsibilities to Chief Executive Officer will be done in manners that will prevent Chief Executive Officer or persons assigned by them from approving transactions that may cause conflict of interest, as defined in Capital Market Supervisory Board's Notification. Exceptions are made in case of approval of transactions made in the ordinary course of business, in line with policies and regulations issued by the Board of Directors. Chief Executive Officer will present such transactions to the Board of Directors and/or in a shareholders' meeting for approval of such transactions pursuant to laws governing securities and exchange and Capital Market Supervisory Board's Notification.

The Company has organization chart as picture below;



Remark : Board of Directors' Meeting No.12/2022 held on 22 December 2022 approved this new organization chart.

7.4.2 Remuneration

1. Remuneration in money

The remuneration of the company and a subsidiary company for 9 executive directors and executive officers includes salary, bonus, provident fund, social security contribution, medical benefit and the defined benefit plans expose the group to actuarial risk amounting to Baht 39,367,568.32.

2. Other remuneration

- The Company has provided a provident fund for the management, where the Company contributes 10 percentage of the salary. In year 2022, the Company has made contributions to the provident fund for 7 executives totaling Baht 1,781,275.
- The warrants to the directors, executives and employees of the Company and its Subsidiaries No.1 (MK-WA) in the amount of not exceeding 26,000,000 units has details as follows:

Issues Date:	17 June 2019
Amount of Warrant:	26,000,000 units
Exercise price:	4 bath/share
Maturity:	Not exceeding 5 years from the warrant issuance and offering date.
Exercise ratio:	1 unit of Warrant (MK-WA) will be entitled to purchase 1 ordinary share.

Number of shares issued and reserved 26,000,000 units

for exercising right of warrant:

Expiration date: 16 June 2024

15 managements of the Company were allocated 10,900,000 warrants, accounting for 41.92 percent of the Company's share warrants for the entire project.

Thus, issuing the warrants to purchase the newly issued ordinary shares to directors, management and employees of the Company and its subsidiaries No. 1 (MK-WA) does not have directors, management and employees of the Company and subsidiaries. That has been allocated vouchers show the right to purchase ordinary shares of the company issued to the directors, management and employees of the company and its subsidiary No. 1 (MK-WA) more than 5 percent of the total warrants issued in this time.

7.5 Employee Information

Employee Development Policy

During the COVID-19 situation, the Company have to deal with risks, changes in business and working styles require human resource development to be more readily available and capable. The

company recognize the importance of potential and measure the success of business operations. Therefore, objective and key results system has been introduced as one of the tools for evaluating employee performance in order to ensure that employees are aware of the company's progress goals and able to work principles of responsibility to meet the target, which has always held that people are the most important resource for successful business operations. The Company has set personnel policy as one of the main policies with a focus on developing human potential to have higher abilities to increase competitiveness while enhancing quality of life and a good working atmosphere as the following:

1) Internal communication: the Company has announced the Vision, Mission, Objective and Core Competency as well as the Annual Corporate Target as a direction for business operations. There is a communication campaign in the organization that employees in each division / department able to plan and perform operations in accordance with the Company's business goals and strategies. The goals of the performance of each department were communicated as well as the Company's goals to all departments to be continuously acknowledged.

2) Human resource development: The Company has a policy to develop personnel according to competency principles in order to enhance the personnel potential. Employee can work more efficiently. The Company has invested in information technology systems both in equipment (hardware) and work systems (software) to improve the overall operation of the organization. There is a standard working procedure to connect information and operations by modern systems. It is possible to integrate business information up to date. It is accurate and fast including a good internal control system. This has an important effect on enhancing the potential of the personnel to work effectively. Increasing skills and ability (Competency) in expertise in the field of managerial skills and business knowledge. In addition, there is also a career progress chart (Career Path) for employees. This starts with making an individual personnel development plan (IDP) for each position to develop the strengths and weaknesses of employees. They are also encouraged to continue their education in order to increase their knowledge and can be applied to work. It also provides a scholarship program to pursue a master's degree in a field of study that directly benefits the performance and business of an organization and employees can take short courses in Real Estate and Marketing Media.

The company also organizes internal training seminars by inviting speakers to give knowledge to employees along with encouraging employees to attend outside seminars. Internal training seminars are to educate executives about Risk Management, risks study and opportunities to identify the risks and can prevent it in time. An analysis of the risk issues and the causes of the risks is carried out. With preventive measures By dividing risk issues according to the nature of responsibility of the line of work to be the driver. The development model emphasizes the participation of employees, with the knowledge of risk emphasizing the risk issues faced by the organization and applying them to the

learning style, enabling employees to apply. In addition, the Company has a business continuity planning to support the risks in crisis situations or BCP in order to set the framework and guidelines to be able to respond to emergency situations such as COVID-19, so that the Company's business does not interrupt and can continue to operate

For 2022, the Company has updated the workflows of all departments to make them suitable for the present conditions and enhance efficiency. The Company also prepared workflows for all the other companies within the Group, covering all work processes, for greater efficiency.

Moreover, the Company also strives to create working values of MK's C-CRET to success by organizing various activities to employee for building awareness of personnel, customer and service focus, Continuous Improvement, Result Orientation, Ethics and Integrity and cooperation to work as a team.

3) Human Resource Management: the Company has improved the performance management system. To increase management efficiency. This focus is on performance management from assessments of job achievement (KPIs) and competency to be used in the development of personnel and work performance on a continuous basis. As well as managing returns according to performance fairly.

In 2022, the Company has a plan to support the adoption of Objective & Key Results (OKR) in future performance evaluation.

4) Employee relations: The company has a policy to enhance the quality of life and a warm working atmosphere care of personnel like family members. To be a model organization for working in a new way that gives employees independence in terms of working hours, the Company has set flexible working hours. The Company also stipulates that employees work from home also increases the right to leave employees, have the right to take personal leave for 6 working days, educate about saving and investing in provident funds, increase the benefits of life insurance and health insurance for employees.

As of 31 December 2022, the Company has 865 employees. In the year 2022, the company has paid compensation to the employees. The total amount of 153,532,076.65 Baht, which returns include salary, overtime allowance, allowance, living allowance, bonus, special allowance, social Security and contributions to provident funds, and etc. In addition, the subsidiary paid remuneration to employees in the same manner as the company of 243,138,759.46 Baht. The detail as table below;

Comapny/ Subsidiary Company	Employee (person)	Management (person)	Head Office- Employee (person)	Total (person)	Employee Compensation (baht)
Company					
M.K. Real Estate Development PCL	143	76	110	219	153,532,076.65

Comapny/ Subsidiary Company	Employee (person)	Management (person)	Head Office-Employee (person)	Total (person)	Employee Compensation (baht)
Subsidiary Company					
Mancon Co.,Ltd.	-	-	-	-	-
Rx Wellness Co.,Ltd.	50	12	9	62	28,377,104.03
Prospect Development Co.,Ltd.	66	3	41	69	52,474,842.05
Prospect Reit Management Co.,Ltd.	5	1	6	6	8,651,051.36
Yours Property Management Co.,Ltd.	76	7	16	83	24,406,121.55
Munkong Life Co.,Ltd.	138	11	-	149	57,062,305.93
Health and Wellness Village Co.,Ltd	129	12	-	141	53,515,630.39
MKH Assets Co.,Ltd.	128	8	2	136	18,651,704.15
Free Zone Asset Co.,Ltd	-	-	-	-	-
S71 Property Co.,Ltd.	-	-	-	-	-
Total of Subsidiary Company	592	54	74	646	243,138,759.46
Total	735	130	184	865	396,670,836.11

The Company has a policy to encourage the provident fund committee of the company to comply with the investment governance principles for institutional investors(Investment Governance Code: "I Code") and because a provident fund is considered a retirement savings fund for employees. The Company therefore encourages the Provident Fund Committee to select fund managers who adhere to I Code and / or manage investments responsibly, taking into account environmental, social and governance factors ("ESG"). Good compliance with investment governance principles. This is because it is an investment strategy that leads to the best interests of fund members, that is, the company's employees over the long term. The employees of the Company and subsidiaries participating in the provident fund program. The detail as table below;

Comapny/ Subsidiary Company	Having/ Not having PVD	Number of employees who having PVD (person)	Portion of employees having PVD/Total employee (%)
M.K. Real Estate Development PCL	Yes	185	84.47
Mancon Company Limited	No	-	-
Rx Wellness Company Limited	Yes	26	41.93
Prospect Development Company Limited	Yes	62	89.85
Prospect Reat Manament Company Limited	Yes	6	100
Yours Property Management Co.,Ltd.	Yes	17	20.48
Munkong Life Company Limited	Yes	118	79.19
Health and Wellness Village Company Limited	Yes	117	82.97
MKH Assets Company Limited	Yes	30	22.05
Free Zone Asset Co.,Ltd	No	-	-
S71 Property Co.,Ltd.	No	-	-

7.6 Other Information

7.6.1 List of persons assigned in the bookkeeping, Company secretary, Head of internal audit or external auditorHead of compliance

1. Those who assigned to be directly responsible for the control of the company's accounting.
 - (1) Mrs. Sutida Suriyodom, Senior Executive Vice President of Operations Management Accounting & Finance Division is assigned as Chief financial officer (CFO)
 - (2) Mrs.Niramon Atsawakunkamnurd, Vice President of Accounting Department assigned person to the direct responsibility of accounting supervision

The detail of those who assigned to be directly responsible for the control of the company's accounting are in attachment 1

Remark: The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodom from being a director of the Company effective from 1 January 2023 and appointment of Mrs.Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards.

2. The Board of Directors appointed Miss Pornphan Yantossilp as a Company's secretary effective on 1 June 2016.Qualifications of a person holding a position as company secretary is in attachment 1

In this regard, the Company, per the approval of Audit Committee, engaged P&L Corporation Company Limited, an unrelated party, to carry out an internal audit at the Company on 2022, P&L Corporation Company Limited appointed Miss Monnapat Phumirattanajarin as the main person in charge of carrying out the internal audit at the Company. P&L Corporation Company Limited and Miss Monnapat Phumirattanajarin have experience in internal controls and audit, are independent and due to the availability of personnel at their disposal, are prepared to form a proper team to conduct an internal audit at the Company. In addition, they are able to audit individual parts of the Company's operations in line with the guidelines for the evaluation of the adequacy of an internal controls system, set by the Securities and Exchange Commission, and independently report their opinions to Audit Committee, to ensure that the internal controls system is effective and adequate for the prevention of risks to business operations.

7.6.2 Head of investor relation and contact information

Miss Ratchanee Mahatdetkul Tel: 0-2234-8888 ext. 3101 Email: irc@mk.co.th

7.6.3 Audit fee

The Company and its subsidiary paid auditor's fees to the auditors of the Company and the subsidiary, for their audit of companies located in Thailand in the last accounting year, amounting to 4,875,000 Baht.

7.6.4 Non-audit fee

- none -

8. Report on key performance of corporate governance

8.1 Summary of the Board of Directors performance in the past year

In 2022, the Company's real estate development business continues to be affected by the volatile economy. The spread of COVID-19 has made the real estate market more competitive. The Company needs to adjust its sales strategy by reducing prices and adding promotions to attract consumers and maintain sales. The Company plans to increase revenue from service business, such as rental income from warehouse buildings that will focus on the construction of Build-to-Suit and wellness businesses. The Company has adjusted its marketing plan from the past that foreign markets is mainly focused to focus on domestic market and organize special programs that are more suitable for domestic customers. The company still attaches importance to good corporate governance practices. The Board of Directors has set a framework for management under good corporate governance, which still focuses on taking into account the impact on the stakeholders as a whole. The company has emphasized for employees and all related parties to work carefully and be careful to offer products and services that are worthwhile for customers and encourage the Company to be the country's leading residential real estate developer in the future.

In the past year 2022, the Company has implemented the sustainability policy of the Company which is part of the sustainability to promote the environment, society, and good governance (ESG), such as Installing solar, Floating Waste Management Project with Garbage Buoys, Bang Nam Phueng Subdistrict, MK. Joining forces to fight COVID project, bottle separation to fight the dangers of COVID project, Antigen Test Kit (ATK) testing for employees by professional nurses before coming to work at the office every week and support the opening of patient waiting centers and occupational activities to increase income for the community "Promote organic farming". Due to the impact of the COVID-19 epidemic, some parts of the company's business have been severely affected, such as declining purchasing power of consumers in real estate development business, measures to slow down or prohibit travel in and out of tourists both in. As a result of such impact, the Sustainability Plan (ESG) had to slow down. The company will continue to adhere to business practices that take into account the impact of ESG in terms of managing construction to minimize pollution, caring for employees not to be affected by the COVID-19 epidemic and reducing accidents during work.

8.1.1 Nomination, development, and evaluation of the Board's performance

In the past year 2022, the Board of Directors and the Company's sub-committees have monitored, evaluated and supervised the operating result appropriately under the ethical, transparent, verifiable, as well as respect the right and be responsible for shareholders, investors, stakeholders, taking into account the benefits to society and taking care of the impact on environment, including adapting to the changes that always occurs. So that the Company can compete and have good operating results

in long-term. To demonstrate transparency in operation and verifiable, the Company has set important criteria in recruiting and appoint directors and senior management as follows:

(1) *Independent directors*

Criteria for selection of independent directors

- 1) Must be persons selected by the Board of Nomination and Remuneration Committee and the Board of Directors, and must be appointed in a shareholders' meeting or Board of Directors' meeting
- 2) At least one thirds, but no fewer than three persons, of the Board of independent directors must be independent directors
- 3) Must have the qualifications suitable for the Company's business
- 4) Must be persons that fit the definition of "independent directors," i.e. an independent director must not be involved in the Company's management and/or conduct of business; must be independent from major shareholders, company management, and immediate family members of those persons, and can express independent opinions, taking the interest of the Company and shareholders into consideration

Selection process

The Board of Nomination and Remuneration Committee will consider the list of external persons with qualifications that are widely accepted in the business and academic circles to present in a Board of Directors' meeting for their consideration, or in a shareholders' meeting for appointment, as the case may be.

The selected persons must have qualifications according to the qualifications of independent director (Details in clause 6.1.1, Policies and guidelines related to the Board of Directors)

It should be noted that independent directors must not have business relations or provide any significant professional services to the Company, its parent company, or any subsidiary, associated company, or juristic person that may present cases of conflict of interest. In addition, the Company's independent directors cannot serve as independent directors for the parent company, any subsidiary, or associated company.

(2) *Selection of directors and members of the management committee*

The Board of Nomination and Remuneration Committee will select persons with the appropriate qualifications to be proposed for appointment as directors, in case where a position becomes vacant or an incumbent is about to end his tenure. The Board of Nomination Committee will select Chairman of Board of Director, Chairman of the Executive Director and Chief Executive Officer, to present in a Board of Directors' meeting for their consideration. The Board of Directors may appoint directors, or present them in a shareholders' meeting for appointment, as the case may be. The Board of Directors consists of no less than five members, all of whom are selected in a shareholders' meeting to manage the Company. No fewer than half of the Board of Directors must

reside in the Kingdom of Thailand, and have the qualifications required by the law. A shareholders' meeting selects directors using the following criteria and methods:

- 1) Each shareholder shall have a number of votes equal to the number of shares held by them.
- 2) In the election of directors, the shareholders may cast votes for individual or several directors simultaneously for the full number of all directors to be elected in that occasion as deemed appropriate by the shareholders meeting. In the voting whether for individual or several directors aforesaid each candidate shall receive the votes in accordance with the number of all shares held by such shareholder under (1) whereby such shareholder may not allocate his/her votes to any candidate for whatever amount of votes.
- 3) The candidates, ranking in order descending from the highest number of votes received to the lowest, shall be appointed as directors for the number of the directors eligible in that occasion. In case there is a tie of the votes for candidates in descending order in excess of the number of the eligible directors, the Chairman of the meeting shall have a casting vote.

In every Annual General Meeting of Shareholders, one-thirds of the directors will leave their position. If it is not possible to divide the directors into three equal-size groups, the number of directors that is closest to one-thirds will leave their position.

In the first year, the longest continuously serving directors will be the first to retire, with the next longest serving directors retiring in the subsequent years. Directors who are retired in this manner can be re-elected to resume the position. The retired directors will continue to operate as interim Board members, as necessary, until new members of the Board of Directors assume the position.

The Board of Directors performance evaluation

In evaluating directors and the Chief Executive Officer, the Board collectively appraise the performance of the Board and Sub-Committee during the year. This will allow the Board an opportunity to review what has been done and issues and challenges encountered in the past year in order to analyze the directors' performance and present recommendations for future operations. The findings shall also be used to review appropriateness of the makeup of the Board of Directors.

Nomination and Remuneration Committee and the Board of Directors has considered the criteria and methods for evaluating the performance of the year. The evaluation was conducted as a whole and of individual directors by means of self-evaluation.

In 2022, the performance assessment form for the Board of Directors was modified according to the form prepared and disclosed by the SET

- 1) The overall performance assessment of the Board of Directors.
The average score of the assessment was 3.79 or 94.84 percent.
- 2) The performance assessment for each Member of the Board of Directors
The average score of the assessment summary was 3.82 or 95.45 percent

8.1.2 Meeting attendance and remuneration for individual directors

Meeting attendance for directors and executives

During 2022, the Board of Directors and various sub-committees have the meeting as follows:

Name	Position	Number of meetings / Number of meetings attended						
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee	Executive Committee	Management Committee
1) Mr. Suthep Wongvorazathe	Chairman	12/12					14/14	
2) Mr. Vorasit Pokachaiyapat	Chief Executive Officer	12/12		2/2		1/1	14/14	17/17
3) Miss Dusadee Tancharoen	Director and Executive Director	12/10				1/1	14/13	17/15
4) Mrs. Sutida Suriyodorn ^{1/}	Director and Executive Director	12/11				1/1	14/14	17/17
5) Miss Rachanee Mahatdetkul	Director and Executive Director	12/12				1/1	14/14	17/17
6) Mr. Att Tongyai Asavanund	Independent Director and Chairman of Audit Committee	12/12	4/4	2/2	1/1			
7) Mr. Chaiyapont Timsootheepant	Independent Director and Member of Audit Committee	12/12	4/4	2/2	1/1			
8) Mr. Theraphan Jittalarm	Independent Director and Member of Audit Committee	12/12	4/4	2/2	1/1			
9) Mr. Sakdina Manled	Senior Executive Vice President					1/1		17/17

Remark: ^{1/} Mrs. Sutida Suriyodorn has resigned from the Board of Directors, effective 1 January 2023.

Directors' remuneration

The Company has policy to determine the remuneration of the Company's directors in accordance with the resolution approved by the shareholders' meeting. The determination of remuneration for directors will be considered by the Nomination and Remuneration Committee who jointly consider for the appropriateness of the remuneration in each year. It is compared with other companies' compensation standard in the same business before presenting to the Board of Directors and shareholders' meeting for approval. The directors' remuneration is in the form of meeting allowances and annual gratuity.

(1) Monetary remuneration

(A) Board of Directors' remuneration

In 2022, the Company paid remuneration to all the directors⁽¹⁾ amounting to 2,652,384 baht. Details are as follows:

		Meeting allowance for Board of Directors in year 2022 (Baht)				Retirement payment for directors in 2021	Total
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee		
1) Mr. Suthep Wongvorazathe	Chairman, Chairman of Executive Director	300,000					300,000
2) Mr. Vorasit Pokachaiyapat	Chief Executive Officer, Executive Director, Chairman of Risk Management Committee Chairman of Management Committee, Normination and Remuneration Committee, Management Committee	180,000		30,000			210,000
3) Ms.Dusadee Tancharoen	Director, Executive Director Risk Management Committee, Management Committee	150,000					150,000
4) Mrs. Sutida Suriyodom ⁽³⁾	Director, Executive Director, Risk Management Committee, Management Committee	165,000					165,000
5) Miss Rachanee Mahatdetkul	Director, Executive Director , Risk Management Committee, Management Committee	180,000					180,000
6) Mr.Att Tongyai Asavanund	Director, Independent Director, Chairman of Audit Committee, Chairman of Nomination Remuneration Committee and Chairman of Corporate Governance Committee	180,000	100,000	50,000	25,000	235,000	590,000
7) Mr.Chaiyapont Timsoothepant	Director, Independent Director, Audit Committee, Normination Remuneration Committee and Corporate Governance Committee	180,000	60,000	30,000	15,000	235,000	520,000
8) Mr.Theraphan Jittalarn	Director, Independent Director, Audit Committee, Normination Remuneration Committee and Corporate Governance Committee	180,000	60,000	30,000	15,000	235,000	520,000
9) Mrs.Malai Rachataswan ⁽²⁾	Director, Independent Director, Audit Committee, Normination Remuneration Committee and Corporate Governance Committee					17,384	17,384
Total		1,515,000	220,000	140,000	55,000	722,384	2,652,384

Remarks : (1) Directors' remuneration consists of meeting allowance and special remuneration for directors, which have been approved in the 2022 Annual General Meeting of Shareholders, held on 26 April 2022. Details of the remuneration are as follows:

1) Meeting allowance for members of the Board of Directors, Audit Committee, Nominate and Remuneration Committee and Corporate Governance Committee who attended a meetingis as follows:

- Chairman 25,000 baht per meeting
- Director 15,000 baht per person per meeting

2) Special remuneration for 4 directors for the year 2021 at a rate of 235,000 Baht/director, totaling 722,384 Baht, calculated by the period of directorship of each director in the year 2021 since 5 Executive directors have requested not to receive the special remuneration.

(2) Mrs. Malai Rachatsawan has resigned from the Board of Directors, effective 28 January 2021.

(3) Mrs. Sutida Suriyodorn has resigned from the Board of Directors, effective 1 January 2023.

The Company's independent directors do not concurrently serve as independent directors for the parent company, subsidiaries, or affiliates. Therefore, the independent directors will not receive remuneration from the parent company, subsidiaries, or affiliates.

(2) Other remuneration (if any)

- Provident Fund ----- Yes -----
- Retirement payment (for Executive): Depending on numbers of years of working at the Company, as per Company regulations
- The ordinary share-purchase warrants to the directors, executives and employees of the Company and its Subsidiaries No.1 (MK-WA) in the amount of not exceeding 26,000,000 units in order to allocate to the directors, executives and employees of the Company and its Subsidiaries according to the scheme of issuance and offering of the ordinary share-purchase warrants to the directors, executives and employees of the Company and its Subsidiaries No.1 (MK-WA) in accordance to The Annual General Meeting of Shareholders for the year 2019 held on 25 April 2019.

8.1.3 Overseeing subsidiary and associated company operations

Mechanism in overseeing operations

The Company sends its representatives to serve as investing directors at both subsidiary and associated company, proportionate to the shareholding structure. Management will propose qualified persons to the Board of Directors to approve. The appointees will ensure that its subsidiary and associated company conducts business with maximum efficiency, and that they comply with rules and regulations governing listed companies, such as those regarding related party transactions, acquisition and disposal of assets, etc. The appointed persons will also compile information to include in the Company's financial statements. For any significant matters, they must make a decision or take action that in line with the Company's direction. The appointed persons must periodically report the operating results of the subsidiary or associated company to the Board of Directors, so that the latter will be constantly kept up-to-date with such entity's situation and make decisions in a timely manner.

Agreements betteen the Company and shareholders regarding management of subsidiary and assosicated companies (Shareholders' agreement)

-None-

8.1.4 Monitoring to ensure the implementation of the corporate governance policy and guidance

The Company has put in place a policy regarding the use of inside information, to prevent all personnel, including directors, executive officers, and employees to disclose company information to external parties or for use it for personal benefits, including trading of company securities while they are being listed, by informing directors, executive officers, and employees of and requiring their compliance with the following principles.

1. Directors, executive officers, and employees must keep all company data, including sensitive information, strictly confidential. They will not disclose such information to gain personal benefits or for the benefits of other parties, whether directly or indirectly, and regardless of whether they have received something in return from so doing, unless such information is made publicly available.

2. Directors, executive officers, and employees that have become aware of the Company's financial data and/or other significant inside information that has an effect on securities value, should refrain from trading company securities before the financial statements or such inside information is made publicly available and from disclosing such information to other persons. The same applies to spouses and children who have not attained the legal age of directors, executive officers, and employees as well. In case where a Director, Executive Officer or employee violates or fails to comply with the Company's policy regarding the use of inside information in securities trading, that Director, Executive Officer or employee will face disciplinary action that includes a verbal warning, a written warning, suspension from work, and removal from position or dismissal without paying compensation as required by law, depending on the severity of the offence committed.

In this regard, the Company ensures that directors, executive officers and who that received inside information refrain from trading company securities, especially 30 days before the Company announces its operating results (in quarterly and annual financial statements) or makes publicly available significant information or data that can have an effect on the value of company securities. The Company will apply the highest form of penalty if it has found that directors, executive officers and who that received inside information has used inside information or acts in ways that can be seen as possibly causing damage to the Company or eroding its reputation.

In addition, the Company requests the cooperation from employees not to trade securities within 30 days before financial statements or other significant information that may affect the price of securities are made publicly available.

3. Directors and executives prepare and sumit reports of securities holding and future contracts of directors and executives, as well as their spouse or de facto spouse and children under the legal age, to the Securities and Exchange Commission, in accordance with Article 59 of the Securities and Exchange Act B.E. 2535 (1992), as specified in the regulation on reporting securities holding and future contracts of directors and executives within a specified period.

In case where a director or executive has reported on changes in securities holding and future contracts (Form 59) to the Securities and Exchange Commission as legally required, the present them in a Board of Directors' meeting on a quarterly basis.

The below table shows the securities held by directors and executive officers as at 31 December 2022

Name	Position	Number of securities held (shares)			
		31 Dec 2021	31 Dec 2022	Increased (Decreased)	Percent of common stock held (%)
1. Mr. Suthep Wongvorazathe ¹⁾	Chairman and Chairman of Executive Director	60,492,171	60,492,171	-	5.54
2. Mr. Att Tongyai Asavanund	Independent Director and Chairman of Audit Committee	-	-	-	-
3. Mr. Chaiyapont Timsootheepant	Independent Director and Audit Committee	-	-	-	-
4. Mr. Theraphan Jittalarn	Independent Director and Audit Committee	-	-	-	-
5. Mr. Vorasit Pokachaiyapat	Chief Executive Officer	-	-	-	-
6. Miss Dusadee Tancharoen	Director and Executive Director	-	-	-	-
7. Mrs. Sutida Suriyodorn ²⁾	Director and Executive Director	550,000	550,000	-	0.05
8. Miss Rachanee Mahatdetkul	Director and Executive Director	-	-	-	-
9. Mr. Sakdina Manlerd	Senior Executive Vice President of Residential Property Division	-	-	-	-
10. Miss Pornphan Yantossilp	Senior Executive Vice President of Investment Management and Director Office Division	-	-	-	-
11. Mrs. Niramon Atsawakunkamnurd	Vice President of Accounting Department	-	-	-	-
12. Miss Busara Rogesotorn	Vice President of Finance Department	277	277	-	0.00

Remarks : ¹⁾ A total of 60,492,171 Shares of Mr. Suthep Wongvorazathe are held under CPD Holding Co., Ltd, in which Mr. Suthep Wongvorazathe hold 100 percent of the shares.

²⁾ Mrs. Sutida Suriyodorn has resigned from the Board of Directors, effective 1 January 2023

In addition, the Company must follow up to achieve the following 4 issues of good corporate governance as follows:

1. Prevention of Conflicts of Interest

According to the good corporate governance policy and requirements of ethics and code of conduct which the Company has set practice guideline for avoiding conflicts of interest. The management and employees should not behave in a manner that may create a conflict of interest with the Company and/or its subsidiaries, either directly or indirectly to avoid such impropriety. The relationship of family members or any other person that may cause conflict of interest should be disclosed by reporting the supervisor in writing.

In recent year, the Company has examined the cases that may cause a conflict of interest with the following conclusions:

- (1) The Internal Audit Department has examined the Company's transactions with trading partners and found that there were no transactions involving the Board of Directors, executives and employees of the Company.
- (2) To raise the level of corporate governance in the organization, the Company has established guidelines for the protection of personal information under the Personal Information Protection Act 2019 as a guideline for the treatment of customer information and prevention of the use of customer information to reduce the risk in such matters.

In this case, the Board of Directors has considered agenda related to the directors with interests. The Company has followed the policy on prevention of conflict of interest strictly by which directors who have interests must not be involved in any such consideration.

2. Use of inside information for benefits

The Company has put in place a policy regarding the use of inside information, to prevent all personnel, including directors, executive officers, and employees to disclose company information to external parties or for use it for personal benefits, including trading of company securities while they are being listed, by informing directors, executive officers, and employees of and requiring their compliance with the following principles.

1. Directors, executive officers, and employees must keep all company data, including sensitive information, strictly confidential. They will not disclose such information to gain personal benefits or for the benefits of other parties, whether directly or indirectly, and regardless of whether they have received something in return from so doing, unless such information is made publicly available.

2. Directors, executive officers, and employees that have become aware of the Company's financial data and/or other significant inside information that has an effect on securities value, should refrain from trading company securities before the financial statements or such inside information is made publicly available and from disclosing such information to other persons. The same applies to spouses and children who have not attained the legal age of directors, executive officers, and employees as well. In case where a Director, Executive Officer or employee violates or fails to comply with the Company's policy regarding the use of inside information in securities trading, that Director, Executive Officer or employee will face disciplinary action that includes a verbal warning, a written warning, suspension from work, and removal from position or dismissal without paying compensation as required by law, depending on the severity of the offence committed.

In this regard, the Company ensures that directors, executive officers and who that received inside information refrain from trading company securities, especially 30 days before the Company announces its operating results (in quarterly and annual financial statements) or makes publicly available significant information or data that can have an effect on the value of company securities. The Company will apply the highest form of penalty if it has found that directors, executive officers and who that received inside information has used inside information or acts in ways that can be seen as possibly causing damage to the Company or eroding its reputation.

In addition, the Company requests the cooperation from employees not to trade securities within 30 days before financial statements or other significant information that may affect the price of securities are made publicly available.

3. Directors and executives prepare and sumit reports of securities holding and future contracts of directors and executives, as well as their spouse or de facto spouse and children under the legal age, to the Securities and Exchange Commission, in accordance with Article 59 of the Securities and Exchange Act B.E. 2535 (1992), as specified in the regulation on reporting securities holding and future contracts of directors and executives within a specified period.

In case where a director or executive has reported on changes in securities holding and future contracts (Form 59) to the Securities and Exchange Commission as legally required, the Company's secretary shall summarize the changes in securities holding of the director/executive and present them in a Board of Directors' meeting on a quarterly basis.

3. Anti-corruption

Anti-corruption policy

1. The Company is against all forms of corruption, including all forms of bribery, during the course of business. The Company and its subsidiary will not commit any acts of corruption, including the request, collection, and payment of bribes.
2. Management and employees carry out their duties and make decisions on the basis of honesty and fairness to shareholders and other stakeholders, and always take into consideration the Company's benefits.
3. Management and employees are prohibited from requesting, committing, or accepting acts of corruption, whether for their own benefits or those of their family members, friends, and acquaintances.
4. Do not take or give cash or other forms of gifts, except during holiday seasons or when appropriate in particular occasions. In such cases, the value of the gifts must be reasonable, and the person obtaining them must consult their superiors in regards to appropriateness of the gifts.
5. The Company will not grant funding or use company resources to support any political candidates or parties, or use them in political campaigns or activities.
6. Donation to charities and financial sponsoring of any events must be done with transparency, respect to the laws, and moral principles.
7. Failure to comply with anti-corruption policy, whether committed by members of the Board of Directors, management, or employees, will result in disciplinary action, depending on the offense committed, in line with the Company's human resources policy.
8. The Company does not seek to demote or punish employees who have rejected acts of corruption, even though such action causes the Company to lose a business opportunity.
9. In addition, the Company has put in place an efficient internal control system and proper checks and balances, to prevent management and employees from committing or becoming involved in acts of corruption.
10. The Company also assesses the risk of corruption that may occur, in order to develop anti-corruption measures suitable for the level of risk.
11. The Board of Directors has assigned Audit Committee to oversee compliance with anti-corruption measures. Audit Committee does this by reviewing relevant internal

control measures and reporting on the adequacy and efficiency of anti-corruption measures.

12. If the directors, executive or employee does not follow the anti-corruption policy, the Company will appoint a disciplinary punishment case by case under regulations of Human Resource Management.
13. The Company has no policy to degrade, punish or cause negative impact to those employees who refuse corruption even such action might bring benefit to the Company.
14. The Company will consider collaboration with private companies launching activities against corruption as another way to contribute our help to society.

The Company implements the effective internal control system by provides an independently outsourced Internal Auditor with auditing and balance power to prevent corruption among executives and staffs. In addition, the Company have evaluated risk of corruption that may occur to the Company in order to stipulate proper anti-corruption policy toward risk evaluation result.

The Audit Committee is assigned by Board of Directors to investigate the compliance to the anti-corruption policy by reviewing internal control system as well as reporting the validity and efficiency of the anti-corruption policy.

In this regard, the Company considers expressing its intent by cooperating in anti-corruption initiatives with the private sector, for collective benefits and practical steps to eradicating corruption. The Company's anti-corruption policy is published on its Website: www.mk.co.th.

4. Whistleblowing

In recognition of stakeholders' equal rights, the Company has provided channels for whistleblowing reporting, through which stakeholders can report non-compliance of the Code of Conduct, illegal acts, fraudulent acts, or misconduct by employees of the Company or its subsidiaries, or deficiencies in the internal control system. Both employees and other stakeholders may voice their concerns. The Company has also put in place mechanisms for protecting whistleblowers, by establishing a reporting procedure whereby an illegal act or failure to comply with the Code of Conduct can be reported to the Company Secretary by email, at whistleblowing@mk.co.th. The Company has put in place measures to protect the whistleblower, treat the report received in confidence, limit the number of people that are informed of the report and disclose it to

relevant people only, to provide assurance and a sense of security to the whistleblower. The whistleblower may choose to remain anonymous, and if deemed necessary the Company may implement special protection measures when the whistleblower is likely or believed to be in harm's way. The whistleblower shall be appropriately and fairly compensated by the Company or the person causing them to suffer from harm, in line with relevant operating procedures and laws.

Reporting of concerns

The Company encourages stakeholders to report or voice their concern about any suspected misconduct, illegal act, violation of the Code of Conduct, financial misreporting, or deficiency in the internal control system to the Board of Directors. They can do so through the channels provided by the Company. The Company will conduct an investigation to discover all relevant facts in with discretion and in confidence, and ensure that the whistleblower and everyone else involved are treated fairly and protected from intimidation of any kind.

Channels for raising whistleblowing concerns

A whistleblowing concern can be raised through any of the following channels:

1. Mail : Attn: Chairman of the Audit Committee
M.K. Real Estate Development Public Company Limited
7th Floor, 345 Surawong Building, No. 345, Surawong Road,
Kwaeng Suriyawong, Khet Bang Rak, Bangkok, 10500
Tel : 02-639-3720
E-mail : chairman.auditcom@mk.co.th

2. Mail : Attn: Company Secretary
M.K. Real Estate Development Public Company Limited
8th Floor, 345 Surawong Building, No. 345, Surawong Road,
Kwaeng Suriyawong, Khet Bang Rak, Bangkok, 10500
Tel : 02-234-8888 Ext. 2101,9990
Fax : 02-234-8880
E-mail : whistleblowing@mk.co.th

An employee who has witnessed a violation or failure to comply with the Code of Conduct may report it to the Board of Directors, the Company Secretary, or their supervisor directly.

In recent year, the Company has no complaints related to fraud or violation of the corporate governance policy.

8.2 Report on the performance result of Audit Committee for the past year

8.2.1 Audit Committee meeting attendance table

Name	Position	Audit Committee meeting				
		No. 1/4	No. 2/4	No. 3/4	No. 4/4	Total
1.Mr. Att Tongyai Asavanund	Independent Director and Chairman of Audit Committee	✓	✓	✓	✓	4/4
2.Mr.Chaiyapont Timsootheepant	Independent Director and Audit Committee Member	✓	✓	✓	✓	4/4
3.Mr.Theeraphan Jittalarn	Independent Director and Audit Committee Member	✓	✓	✓	✓	4/4

8.2.2 Operating result of the Audit Committee

In 2022, Audit Committee held a total of 4 meetings, which can be summarized as follows:

1. A review of financial statements of the Company and its subsidiaries before presenting them to the Board of Directors. Having reviewed the financial statements and heard explanations by the auditors and management, Audit Committee was of an opinion and convinced that the financial statements were prepared in accordance with generally accepted accounting principles, and disclosed all the significant information accurately and completely.
2. Recommended the appointment of auditors from KPMG Phoomchai Audit Company Limited and determined the audit fees for the year, and presented to the Board of Directors, who in turn presented to the shareholders' meeting for approval. Audit Committee was of an opinion that the persons being nominated for appointment as auditors had the right qualifications and were adequately independent to conduct auditing for the Company and its subsidiaries.
3. Considered engaging P&L Corporation Company Limited, an unrelated company, to conduct internal auditing at the Company. This company was qualified for the task, considering its work teams, personnel availability, experience, knowledge and skills, and the company's independence. The internal auditors reviewed each part of the Company's operations, based on the guidance on evaluating adequacy of the internal controls system

4. Reviewed related party transactions, disclosed information relating for related party transactions, and acquisition and disposal of assets to ensure compliance with relevant laws and regulations.
5. Approved annual audit plans and reviewed internal controls, which were part of the Company's management policies. Approved procedures in the audit plans prepared in writing, for use as guidance in conducting the auditing that meets international standard.
6. Considered and listened to explanations of the report on the internal audit results from the internal auditors, who were appointed per the approval of Audit Committee and conducted the auditing based on the assessed significance of the risks Audit Committee prepared a summary of significant findings and presented them to the Board of Directors and management, including findings on corporate governance, compliance with laws and regulations, and adequate efficiency in assessing and mitigating risks that might occur in each department and to the Company
7. Reviewed and evaluated adequacy of the internal controls system for the year. In light of this, Audit Committee was of an opinion that the Company's internal controls system was efficient and adequate for risk prevention due to its compliance with company policies and strategy.
8. Held meetings with the auditors without the presence of management, to ensure that auditors were able to independently report issues or limitations that occurred while auditing financial statements. In this regard, the auditors did not note any material limitations.

In addition to the disclosure of the Audit Committee Report as detailed above, to raise the level of corporate governance, the Audit Committee can explain in order to expand their performance of other various aspects.

The Nomination and Remuneration Committee has determined the performance appraisal form for the committee and sub-committees. This is individual and faculty assessment of the performance of the Board of Directors for the operational period from 1 January 2022 to 31 December 2022. Therefore, the evaluation of the performance of the Audit Committee for the year 2022, in order for the Audit Committee to jointly consider the performance and revise, the criteria, methods, and assessment form are used by the Nomination and Remuneration Committee.

Moreover, the Audit Committee has discussed with the internal auditors and the management to jointly build an organizational culture on risk management and internal control to reduce the risks of various aspects of the Company in both business operation and internal control to achieve effective management and have regular follow-up on the results of such action.

8.3 Summary of performance result of other sub-committees

8.3.1 Meeting of sub-committees

Name	Position	Number of meetings / Number of meetings attended						
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee	Executive Committee	Management Committee
1)Mr. Suthep Wongvorazathe	Chairman	12/12					14/14	
2)Mr. Vorasit Pokachaiyapat	Chief Executive Officer	12/12		2/2		1/1	14/14	17/17
3)Miss Dusadee Tancharoen	Director and Executive Director	12/10				1/1	14/13	17/15
4)Mrs. Sutida Suriyodorn ^{1/}	Director and Executive Director	12/11				1/1	14/14	17/17
5)Miss Rachanee Mahatdetkul	Director and Executive Director	12/12				1/1	14/14	17/17
6)Mr. Att Tongyai Asavanund	Independent Director and Chairman of Audit Committee	12/12	4/4	2/2	1/1			
7)Mr. Chaiyapont Timsootheepant	Independent Director and Member of Audit Committee	12/12	4/4	2/2	1/1			
8)Mr. Theraphan Jittalarn	Independent Director and Member of Audit Committee	12/12	4/4	2/2	1/1			
9)Mr. Sakdina Manlerd	Senior Executive Vice President					1/1		17/17

Remark: ^{1/} Mrs.Sutida Suriyodom¹has resigned from the Board of Directors, effective 1 January 2023

Nomination and Remuneration Committee meetings

The Company requires that Nomination and Remuneration Committee hold a general meeting at least twice a year and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

In 2022, the Board of Nomination and Remuneration Committee held a total of 2 meetings, which were chaired by Chairman of Nomination and Remuneration Committee. The Nomination and Remuneration Committee will consider to recruit qualified persons to serve as directors and executives of the Company, consider the directors' gratuity at the appropriate level and in line with the type of business of the Company and economic conditions.

Corporate Governance Committee meeetings

The Company requires that Corporate Governance Committee hold a general meeting at least once a year and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

In 2022, the Board of Corporate Governance Committee held 1 meeting, which were chaired by Chairman of Corporate Governance Committee. The meeting reviewed the Company's good corporate governance policy, and ethics of the Company in order to be consistent with the business operation of the Company and in accordance with good corporate governance principles of listed companies, including adjustment and change in accordance with the guidelines of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other related departments. This will affect the business operation of the Company sustainably. Therefore, the Company should review the corporate governance policy of the Company and business ethics of the Company annually.

Risk Management Committee meetings

The Company requires that hold a general meeting at least once a year and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

In 2022, the Risk Management Committee held a meeting of the Risk Management Committee 1 time. In 2022, the Risk Management Committee has foreseen that Thailand and almost every business of the Company are affected by the epidemic situation of COVID-19 which affects both the Company's operations, partners, and customers in many aspects. The Company has engaged in risk diversification by investing in and generating revenue from a variety of business segments, rather than relying on any specific one which may be severely impacted by external factors. This is well reflected in the Company's revenue makeup, with revenue not only coming from real estate development but from various businesses and therefore risks are kept at manageable levels when a crisis strikes. This risk diversification approach also enables regular revenue recognition. The risk of the spread of COVID-19 continuously the company must be prepared for risks by employees, customers and visitors to the office need to be regularly screened for diseases with ATK. The Company has given importance to risk management, internal control, and continuous internal audits. This is because it is an important mechanism that will help the business achieve its goals. The company has monitored and analyzed the risks that occur.

Regarding risk management approaches in 2023, as the spread of COVID-19 continues which may affect real estate industry and healthcare industries both in terms of opportunities and impacts, and because other risk issues may still arise in any form, as they tend to do each year, the Company needs

to plan its risk management approaches continuously. Some will be risk issues that have occurred previously and others will be new issues caused by external and internal factors. An organization-wide risk analysis is collectively conducted by company personnel and experts. The Company has hired Rattakit Research Centre Company Limited to work with management and employees responsible for each task in conducting a risk analysis and related planning. As a result, many risk issues are more effectively controlled and managed. Other concrete results are also noted; for example, when developing a standard workflow for real estate and healthcare businesses in 2023, a variety of risk issues have been forecast. With more intense competition in the real estate market and consumer purchasing power not growing significantly and taking the Bank of Thailand's economic projections into account, the Company deems it necessary to continue to analyze risks to keep itself ready and capable and make plans to manage additional risks as well as existing ones that continue to affect the Company.

Executive Committee meetings

The Company requires that hold a general meeting and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

In the year 2022, the Executive Committee convenes 14 meetings, in which the Chairman of the Executive Committee presides over the meeting and the Executive Committee holds meetings to manage the business in accordance with the plan designated: Consideration of the annual budget to be presented to the Board of Directors, Guidelines for expanding real estate business for sale and rent/service to continue to grow, Working capital management, Finding sources of funds, loans, debentures for businesses, and various real estate projects of the Company, Expansion to health services and health centers business to respond to the current trend of focusing on health care of people which can be considered as a good business in the future that will be able to generate income for the Company both now and in the future.

Management Committee meetings

The Company requires that hold a general meeting and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

In 2022, the management committee held the meetings of the management committees for 17 times. The meetings were chaired by the Chief Executive Officer. The meetings are to discuss the guidelines for managing the business under circumstances that have both internal and external impacts, such as economic conditions, government guidelines that come out to help stimulate various economies, to follow up on the progress of project development in each project to be in accordance with the specified work plan, organizing organization chart for efficiency, consider the project budget and the annual total budget for submission to the Executive Committee, screening various investment projects of the Company to present to the Executive Committee. The management committee has closely monitored and processed the operations in each business line to ensure that the Company's operating results are in accordance with the planned work plan, including setting up measures to improve operational plans under the COVID-19 situation, including improving sales, marketing and advertising plans in accordance with the COVID-19 situation.

9. Internal Control and Related Party Transactions

9.1 Internal Control

The Board of Directors recognizes the importance of the internal controls system, which will be a fundamental mechanism for reduction of business risks and property protection. Internal controls also add credibility to financial reports, and protect the investments made by shareholders. Therefore, the Board of Directors has put Audit Committee in charge of implementing effective internal controls and making sure that risks remain at levels where they can be managed appropriately.

9.1.1 The adequacy and appropriateness of the Company's internal control

Summary of the overhaul of organization-wide risk management system of M.K. Real Estate Development Public Company Limited

Organization Risk Management	Control Activity	Risk Solution
Manage factors and control activities and operating procedures to remove causes of risk issues that may occur and cause the Company to suffer damage, or manage risks to ensure that any future impact remains at an acceptable level, is assessable, controllable, and verifiable systematically. Always place importance on the targets set in the business strategy, compliance with regulations, the Company's financial situation and its reputation. Obtain support and encourage participation in risk management by management and employees at all levels across the Company.	<p>1. Preventive Control: Control established to prevent risks and errors;</p> <p>2. Detective Control: Control established to detect errors that have occurred;</p> <p>3. Directive Control: Control established to support or promote success in meeting the targets;</p> <p>4. Corrective Control: Control established to correct errors that have occurred, or find solutions to prevent similar errors from reoccurring</p>	<p>1. Risk Acceptance: Accepting the risk that has occurred as it is too costly to manage, control, or prevent it at this point;</p> <p>2. Risk Reduction: Improving operating procedures or redesigning work process to reduce probability or impact to the level the Company finds acceptable;</p> <p>3. Risk Sharing: Sharing or distributing the consequences of a risk to spread the responsibility for that risk among other people;</p> <p>4. Risk Avoidance: Managing a high-level risk which is unacceptable to the line of work, which leads to decision to terminate that particular project/activity</p>

Proactive strategy	Reactive strategy
<ul style="list-style-type: none"> ■ Before incident ■ Focused on preventing incident ■ Focused on addressing cause of incident 	<ul style="list-style-type: none"> ■ After incident ■ Focused on reducing impact, remedial action, putting an end to incident, or recovery ■ Focused on dealing with outcomes

9.1.2 Summary of observations on the Company's internal control system

In 2022, the Board of Directors and three members of Audit Committee held a meeting. Some of the members of Audit Committee had knowledge of finance and accounting. The Board of Director had evaluated the internal controls system and the internal audit procedures, using the evaluation form issued by the Securities and Exchange Commission. It has reviewed the Company's internal controls system in five different areas, namely control environment, risk assessment, control activities, information & communication and monitoring activities, using an evaluation form for the adequacy of internal controls and risk management issued by the Securities and Exchange Commission. The department conducting the internal audit had reviewed and evaluated each item in the report on evaluation results regarding the adequacy of internal controls in 2022. The Board of Director was of an opinion that the Company's internal controls were appropriate and adequate for ensuring business operations are in line with the goals, objectives and relevant laws and regulations. The internal controls system is also adequate for prevention of fraud or loss to the Company's property, and the accounting records and reports are correctly prepared and credible. In addition, according to the independent auditor, no material errors were found.

Monitoring Activities

- The Company has improved the operating procedures to respond to changing situations and monitored the results of implementing these procedures to ensure that the goals and targets set in the Board of Directors' policies have been met.
- The Company has regularly arranged for reviews and monitoring of the results of internal control implementation.
- The Company requires that the review results be reported directly to the Audit Committee. The Audit Committee approved the hiring of P&L Corporation Company Limited to conduct an internal audit for the Company in 2022. The internal auditor conducted the audit and presented its findings to the Audit Committee, in the following topics.

● Internal controls over fixed assets

The internal audit has conducted an audit within the scope and with the objectives to ensure that:

- The Company has established a plan to manage and support internal controls over fixed assets that is aligned with its business goals and in compliance with relevant laws and regulations.

- The Company has a clearly specified scope of authority to prevent uneven distribution of work, promote decentralization in management and enable smooth, efficient and successful company operations.
- The Company has essential tools for cost control as well as plans from the project level up to organizational management which management uses to enhance effectiveness of financial planning.
- The Company's acquisition of assets is reasonably aligned with its needs and the quality of acquired assets meet required specifications.
- The Company assigns codes for assets and records all the information in the control register correctly. It also affixes codes to the assets promptly before transferring them to relevant agencies, enabling efficient asset verification and inspection to make sure they are ready for use.
- The Company has clear, written principles for calculating and documenting depreciation and for reviewing accuracy of depreciation calculation to ensure compliance with adopted accounting policies.
- The Company has adequate controls over documents related to distribution licensing, amortization and asset donation, with proper and timely approval from authorized persons.
- The Company has adequate controls over bringing assets out of the Company, with proper and timely approval from authorized persons.
- The Company has adequate controls over the transfer of assets between persons or departments, with proper and timely approval from authorized persons.
- The Company has an efficient maintenance/repair system and proper risk management practices.
- The Company designates responsible persons for approving or authorizing the processing or recording of essential information and restricts access to information and related processing equipment to authorized persons only.

The internal audit reported findings in an audit committee's meeting and concluded that no risk has been identified in an audit of the processes listed above and that the Company has adequate and appropriate internal controls over fixed assets.

● Internal controls over rent revenue

The internal audit has conducted an audit within the scope and with the objectives to ensure that:

- The Company has established a plan to manage and support internal controls over the revenue cycle that is aligned with its business goals and in compliance with relevant laws and regulations.
- The Company has a structure and a clearly specified scope of authority to prevent uneven distribution of work, promote decentralization in management and enable smooth, efficient and successful company operations.

- The Company has prepared income estimates or business plans in writing and made a comparison between estimates and actuals.
- The Company has a procedure in place for registering customers that have been verified and assigned customer codes in line with company guidelines. For both new and existing customers, credit limits are approved strictly according to procedures, with evidence of financial status review, history of credit sales and suitability of credit limit provided.
- The Company has a clear pricing policy and a price is decided or adjusted after being reviewed by authorized persons.
- The Company's process of taking orders from customers is clear and reliable. Selling prices are correct according to the price list. Approval of sales is in accordance with regulations that have been established. Discounts and returns are as prescribed in the Company's policy and regulations, and these are approved by authorized person in a timely manner.
- The Company conducts customer satisfaction surveys to gather feedback on its products and services, so that it becomes aware of key issues and opportunities for improving its products and services.
- The Company has clear and suitable division of responsibilities, designating personnel handling receipt of money separately from those who handle account recording, payment and cash storage. A random inspection is regularly conducted on reserve money for use as change by the accounting department and receipts are issued every time payment is received. Deposits are made at the bank within the time specified in company regulations.
- Recording of receivables, company revenues and control of cheques received is correct, complete and timely and is adequately and regularly reviewed by authorized persons. There are adequate controls over the issuance of receipts and tax invoices, and each time a payment is made, the whole amount is deposited to the Company's bank account in a timely manner. Approval of payment is carried out in accordance with regulations and authority established.
- The Company checks the accuracy of the numbers recorded by the Company and the bank balance and regularly investigate any disparity between the bank balance and the amount in the passbook.
- The Company has tools for managing receivables to ensure efficient debt payment and collection and minimize impacts on the business' credit status. An allowance for doubtful accounts is set up in accordance with company policy.
- The Company strictly adheres to regulations of the Revenue Department regarding output tax and tax deduction at source.
- The Company designates responsible persons for approving or authorizing the processing or recording of entries and restricts access to information appropriately.

The internal audit reported findings in an audit committee's meeting and concluded that no material risk was noted in the audit of these processes, with the following recommendations.

- Prepare a written workflow for rent revenues
- Prepare a written workflow for customer registration
- Establish pricing criteria and standard rental price for each location in writing

As the Company has implemented all of these recommendations, it can be concluded that the Company has adequate and appropriate internal controls over rent revenues.

● Internal audit on the sufficiency assessment of internal control system for 2022

The internal audit has conducted an audit with an objective to ensure that the Company has adequate internal controls under the COSO framework, by assessing the Company using an assessment form that consists of these five elements.

- 1) Control environment
- 2) Risk assessment
- 3) Control activities
- 4) Information & communication, and
- 5) Monitoring activities.

The internal audit reported findings to the audit committee that, based on its audit, no deficiency was noted in any element of the assessment listed above. It therefore concluded that the Company has complete, adequate and appropriate internal controls under the COSO framework.

The Audit Committee receives an audit report from the internal auditor every quarter and acknowledge the operation of the management that has given importance to the organization of the work system and defining the operating procedures in order to control the internal operations of the company more efficiently.

9.1.3 Summary of opinions of Audit Committee

Audit Committee's report

As of 31 December 2022 Audit Committee of M.K. Real Estate Development Public Company Limited, consists of three (3) independent directors, These include Mr. Att Tongyai Asavanund, Chairperson of the Audit Committee, Mr. Chaiyapont Timsootheepant and Mr. Theraphan Jittalarn as members of the Audit Committee, to support the work of the Audit Committee. In addition the Audit Committee consists of at least one member who has the knowledge and experience in reviewing financial statements for reliability.

Audit Committee has carried the duties assigned by the Board of Directors and based on the charter of Audit Committee, which is in line with the Stock Exchange of Thailand regulations. In the 2022 accounting period, Audit Committee held a total of 4 Meetings. All members of Audit Committee were present in these meetings, which were also attended by management, external auditors, and internal auditors, as appropriate

9.1.4 Summary of opinions of the Audit Committee on the head of internal audit

In this regard, the Company, per the approval of Audit Committee, engaged P&L Corporation Company Limited, an unrelated party, to carry out an internal audit at the Company, P&L Corporation Company Limited appointed Miss Monnapat Phumirattanajarin as the main person in charge of carrying out the internal audit at the Company. Both P&L Corporation Company Limited and Miss Monnapat Phumirattanajarin have experience in internal controls and audit, are independent, and, due to the availability of personnel at their disposal, are prepared to form a proper team to conduct an internal audit at the Company. In addition, they are able to audit individual parts of the Company's operations in line with the guidelines for the evaluation of the adequacy of an internal controls system, set by the Securities and Exchange Commission, and independently report their opinions to Audit Committee, to ensure that the internal controls system is effective and adequate for the prevention of risks to business operations

In additon, background and experience detail of head of internal control is in attachment 3

9.1.5 Appointment, removal and transfer of the person holding the position of head of Internal Audit Supervisor

The consideration and approval of the appointment, removal, transfer of the head of the Company's internal audit department must be approved (or have been consented)from the audit committee.

9.2 Related Party Transactions

The Company has related party transactions with the companies which related by having common shareholders and/or directorsduring a perion as follow;

Company Name	Established country	Relationship
Prospect Logistics and Industrial Leasehold Real Estate Investment Trust ("Trust")	Thailand	The Company invested in this trust 8.92% and it is considered as investment in associate of the Company because the Company has significant influence, as an indirect subsidiary has been appointed as REIT manager.

The pricing policies that were significantly changed during the twelve-month period ended 31 December 2022 are as follows

Items	Pricing Policy
Transaction Management Fee	Mutual Agreed
Property Management Fee	Mutual Agreed

The Company has related transactions with related parties by having shareholders and/or joint directors such transactions are in accordance with normal business operations, which in addition to taking into account the best interests of the company is important Can also support the business in the group, which will return the return on investment to the company

9.2.1 Related Party Transactions in 2022

Related party transactions incurred during the year 2022 reported in the audited statement for the year ended 31 December 2022 (Balance as of 31 December 2021 and 20120 for comparison purpose)

1) Outstanding items

Items/ Company Name (Relationship)	Details of Transactions	Balance as of 31 December 2022 (million Bt)	Balance as of 31 December 2021 (million Bt)	Balance as of 31 December 2020 (million Bt)
(1) Accounts Receivable				
- FNS Holdings PLC. / Joint director	Prospect Development Co., Ltd., a subsidiary, received property management fees	-	0.01	0.03
<u>Joint Venture</u>	Prospect Development Co., Ltd. received management fees	9.38	-	-
- BFTZ Wangnoi Co.,Ltd.,	Prospect Development Co., Ltd. received management fees	8.93	7.25	-
<u>Associated</u>	Prospect Reit Management Co.,Ltd. received management fees	10.53	2.86	1.84
(2) Accrued Expenses				
- FNS Holdings PLC/ Joint director	Prospect Development Co., Ltd., a subsidiary, paid management fees	-	-	0.05
- Yours Property Management Co., Ltd	The Company had overdue personnel and project management fee	0.38	0.73	-
(3) Loans from subsidiary	Loans between related parties	-	20.00	21.00
- Rx Wellness Co., Ltd				
(4) Accrued interest expense	Loans between related parties	-	2.03	1.44
- Rx Wellness Co., Ltd				

2) Loan to related parties

Items/ Company Name (Relationship)	Details of Transactions	Balance as of 31 December 2022 (million Bt)	Balance as of 31 December 2021 (million Bt)	Balance as of 31 December 2020 (million Bt)
(1) Subsidiary - Munkong Living Co.,Ltd - Prospect Development Co., Ltd. - Munkong Life Co., Ltd. - Health and Wellness Village Co., Ltd - Rx Wellness Co., Ltd - S71 Property Co.,Ltd - MKH asset Co., Ltd	Investment in property development projects and business for rent and services Investment in business for rent and service Investment in business health and beauty	- 2,019.00 50.45 55.06 173.78 1.00 328.00	- 875.00 1,109.00 51.00 - - 40.50	857.52 360.00 1,384.00 - - 2.00
(2) Joint Venture - BFTZ Bangpakong Co.,Ltd - BFTZ Wangnoi Co.,Ltd.,	Prospect Development Co., Ltd. , a subsidiary, has provided loan to the joint venture for managing business at its initial stage.	568.00 250.50	442.00 128.00	- -

3) Other current assets

Items/ Company Name (Relationship)	Details of Transactions	Balance as of 31 December 2022 (million Bt)	Balance as of 31 December 2021 (million Bt)	Balance as of 31 December 2020 (million Bt)
<u>Subsidiary</u> - Prospect Development Co., Ltd.	Security deposit for lease of office space, Finansa PCL	-	-	0.59
<u>Subsidiary</u> - Munkong Living Co.,Ltd - Munkong Life Co., Ltd. - Health and Wellness Village Co., Ltd - MKH asset Co., Ltd - Prospect Development Co., Ltd. - Rx Wellness Co., Ltd - S71 Property Co.,Ltd <u>Joint Venture</u> - BFTZ Bangpakong Co.,Ltd - BFTZ Wangnoi Co.,Ltd.,	Interest receivables	- 1.00 0.84 3.57 - 6.55 0.03 31.43 14.84	- 94.24 0.96 0.48 - - - 4.93 1.45	71.85 55.05 - 0.05 1.53 - - - - -
<u>Subsidiary</u> - Munkong Life Co., Ltd. - Health and Wellness Village Co., Ltd	Accrued management fee income	- -	- 0.32	16.05 -

4) Revenue and expenses items

Items/ Company Name (Relationship)	Details of Transactions	Conditions	Balance as of 31 December 2022 (million Bt)	Balance as of 31 December 2021 (million Bt)	Balance as of 31 December 2020 (million Bt)
(1) Revenue for providing rent and services					
<u>Subsidiary</u>					
- Yours Property Management Co., Ltd	The company received rent and services income for providing office space	Rent and Service Agreement	0.42	0.37	0.37
- Rx Wellness Co., Ltd			-	-	0.12
- Prospect Development Co., Ltd.			4.77	2.44	-
- Prospect Reit Management Co.,Ltd.			0.64	0.52	-
(2) Dividend					
<u>Subsidiary</u>					
- Mancon Co., Ltd	The company received dividend	Dividend as the Company paid to shareholders	-	-	2.70
<u>Associated</u>					
- Prospect Logistics and Industrial			16.28	17.56	2.68
- Frasers Property BFTZ Co.,Ltd.			-	25.81	-
(3) Interest Income					
<u>Subsidiary</u>					
- Prospect Development Co., Ltd.	The company received interest for providing loan	Calculate from cost of debts plus margin	81.32	50.97	21.51
- Munkong Living Co.,Ltd			-	33.86	41.12
- Munkong Life Co., Ltd			30.52	51.44	46.45
- Health and Wellness Village Co., Ltd			3.14	0.96	0.19
- MKH asset Co., Ltd			5.51	0.43	-
- Rx Wellness Co., Ltd			6.55	-	-
<u>Joint Venture</u>					
- S71 Property Co.,Ltd			0.03	-	-
- BFTZ Bangpakong Co.,Ltd.			27.78	16.85	-
- BFTZ Wangnoi Co.,Ltd.,			13.50	3.23	-
(4) Management Fee					
<u>Subsidiary</u>					
- Mancon Co., Ltd	The company received management fee	Service agreement	0.36	0.36	0.36
- Prospect Development Co., Ltd.			1.80	1.80	-
- Rx Wellness Co., Ltd			0.36	0.36	0.36
- Yours Property Management Co., Ltd			1.80	1.80	1.80
- Munkong Living Co.,Ltd			-	2.76	2.76
- MKH asset Co., Ltd			2.61	0.36	0.36
- Munkong Life Co., Ltd			2.76	2.76	2.76
- Health and Wellness Village Co., Ltd			1.20	1.20	1.20

Items/ Company Name (Relationship)	Details of Transactions	Conditions	Balance as of 31 December 2022 (million Bt)	Balance as of 31 December 2021 (million Bt)	Balance as of 31 December 2020 (million Bt)
(5) Management Fees and Personnel Expenses <u>Subsidiary</u> - Yours Property Management Co., Ltd	The company paid personnel expenses and management fee for some projects during set up juristic persons	Service agreement	22.84	19.93	18.05
(6) Management Fee (Other) <u>Subsidiary</u> - Yours Property Management Co.,Ltd	Service for arranging a juristic person meeting	As agreed price	0.61	0.26	4.40
(7) Property Management Fee - FNS Holdings PLC / Joint director <u>Associated</u> - Prospect Logistics and Industrial	Prospect Development Co., Ltd., a subsidiary, received property management fees	Contractial agreement , calculating from percentage of rent and service income	-	-	11.26
	Prospect Development Co., Ltd.,received management fees		50.64	49.18	19.22
	Prospect Reit Management Co.,Ltd. received management fees		11.82	11.13	4.23
	Prospect Development Co., Ltd.,received management fees		21.17	-	-
			24.50	10.70	-
(8) Management Fee - FNS Holdings PLC. / Joint director	The Company paid back-office administrative expenses. Prospect Development Co., Ltd., a subsidiary, paid administrative fees for back office	Service agreement	2.71	2.55	2.39
		Service agreement	3.13	3.08	9.22

Items/ Company Name (Relationship)	Details of Transactions	Conditions	Balance as of 31 December 2022 (million Bt)	Balance as of 31 December 2021 (million Bt)	Balance as of 31 December 2020 (million Bt)
(9) Interest expense - FNS Holdings PLC - Rx Wellness Co., Ltd <u>Joint director</u>	Loans between related parties	Per the loan agreement	7.40 0.55 1.30	- 0.63 -	- 0.70 -
(10) Commission Income <u>Joint Venture</u> - Frasers Property BFTZ Co., Ltd	Prospect Development Co., Ltd., received commission for bringing in customers bringing in customers	Service agreement	4.13	4.44	3.65
(11) Income from management fee <u>Associated</u> - Prospect Logistics and Industrial	Prospect Reit Management Co.,Ltd.	Service agreement	11.82	11.13	4.23

5) Transactions between subsidiaries

No.	Items	Subsidiary companies entering the transaction		Transaction Amount (million Baht)		
		Payer	Recipient	Amount in period 2022 (million Bt)	Amount in period 2021 (million Bt)	Amount in period 2020 (million Bt)
(1)	Business development fee	Munkong Life Co., Ltd Health and Wellness Village Co., Ltd	Rx Wellness Co., Ltd	6.00 18.00	4.00 12.00	7.50 10.50
(2)	Accrued business development fee – Be arrested	Munkong Life Co., Ltd Health and Wellness Village Co., Ltd	Rx Wellness Co., Ltd	- -	0.54 1.61	1.61 4.82
(3)	Management fee for Back Office	Health and Wellness Village Co., Ltd	Munkong Life Co., Ltd	9.32	5.14	0.30
(4)	Management fee for Back Office- receivables	Health and Wellness Village Co., Ltd	Munkong Life Co., Ltd	-	0.58	-
(5)	Other operating expenses	Health and Wellness Village Co., Ltd Mancon Co., Ltd.	Munkong Life Co., Ltd Yours Property Management Co., Ltd	- -	- 0.01	0.62 0.01
(6)	Other operating expenses accrued – Be arrested	Rx Wellness Co., Ltd	Munkong Life Co., Ltd	-	-	0.01

No.	Items	Subsidiary companies entering the transaction		Transaction Amount (million Baht)		
		Payer	Recipient	Amount in period 2022 (million Bt)	Amount in period 2021 (million Bt)	Amount in period 2020 (million Bt)
(7)	Rental and service income	Rx Wellness Co., Ltd	Munkong Life Co., Ltd	0.36	0.36	0.03
		Health and Wellness Village Co., Ltd	Munkong Life Co., Ltd	24.38	20.87	1.00
		Free Zone Asset Co.,Ltd	Prospect Development Co.,Ltd.	0.91	-	-
(8)	Debtor - Other Payables	Munkong Life Co., Ltd	Rx Wellness Co., Ltd	0.04	0.19	0.18
		Health and Wellness Village Co., Ltd	Rx Wellness Co., Ltd	0.07	0.22	-
		Munkong Life Co., Ltd	Health and Wellness Village Co., Ltd	12.96	25.25	-
		Health and Wellness Village Co., Ltd	Munkong Life Co., Ltd	6.81	18.04	-
(9)	Debtor - creditor Deposit, rental and service charges	Rx Wellness Co., Ltd	Munkong Life Co., Ltd	-	-	0.06
		Health and Wellness Village Co., Ltd	Munkong Life Co., Ltd	-	-	2.00
(10)	Food and beverage for employee	Health and Wellness Village Co., Ltd	Munkong Life Co., Ltd	3.71	2.10	-
(11)	Buy-sell tools and equipment	Health and Wellness Village Co., Ltd	Munkong Life Co., Ltd	-	-	46.85
(12)	Loan to related parties	Prospect Development Co.,Ltd.	Free Zone Asset Co.,Ltd	194.54	102.16	-
		Prospect Development Co.,Ltd.	Prospect Reit Management Co.,Ltd.	2.50	-	-
		Rx Wellness Co., Ltd	Munkong Life Co., Ltd	70.00	-	-
		Rx Wellness Co., Ltd	Health and Wellness Village Co., Ltd	3.50	1.00	-
		Rx Wellness Co., Ltd	MKH asset Co., Ltd	7.00	2.00	-
		Free Zone Asset Co.,Ltd	Prospect Development Co.,Ltd.	8.47	0.03	-
(13)	Interest Income	Munkong Life Co., Ltd	Rx Wellness Co., Ltd	0.06	-	-
		Free Zone Asset Co.,Ltd	Prospect Development Co.,Ltd.	8.47	0.03	-
		Prospect Development Co.,Ltd.	Rx Wellness Co., Ltd	0.06	-	-
(14)	Interest receivables	Free Zone Asset Co.,Ltd	Prospect Development Co.,Ltd.	8.50	0.03	-
		Munkong Life Co., Ltd	Rx Wellness Co., Ltd	0.06	-	-
(15)	Cash Advance to related parties	Prospect Development Co.,Ltd.	Prospect Reit Management Co.,Ltd.	-	0.37	-
		Free Zone Asset Co.,Ltd	Free Zone Asset Co.,Ltd.	0.79	-	-
		Prospect Development Co.,Ltd.	Prospect Reit Management Co.,Ltd.	-	-	-

9.2.2 Necessity and reasonableness of related transactions

The Audit Committee has the opinion that such connected transactions are subject to fair and reasonable transaction conditions. Fair trade conditions are treated in the same manner as individuals or other businesses that are not generally related without any action that would cause a transfer of interests between the companies and subsidiaries and companies/individuals who may have conflicts of interest, who has a significant stake or there may be a conflict of interest in the future and it is a transaction in the best interest of the company. In addition, such transactions are in accordance with normal business operations to support the operations of the Company and its subsidiaries. Moreover, it is in accordance with the Company's policy of inter-company transactions and the accounting standards regarding disclosure of information about related persons or businesses as prescribed by the Association of Accounting and Certified Public Accountants of Thailand.

9.2.3 Policy and trend on related party transactions in the future

The Company has a policy to enter into related party transactions during its normal course of business. These transactions principally take into account the Company's maximum benefits, are conducted at fair price and with fair terms and conditions, and are transparent and fair to customers, trading partners, and shareholders. However, whenever the Company or any of its subsidiaries (a company in which the Company holds at least 50 percent of its paid-up capital, directly or indirectly) enters into related party transactions, it should comply with the Securities and Exchange Act (No. 4) B.E. 2551, and codes and notifications by the Securities and Exchange Commission governing related party transactions.

Transaction approval process

The authorization power has been set in accordance with the predetermined credit limit and proposed to the Board of Directors meeting to review the transaction for the adequacy in order not to create a conflict of interest.

Part 3 Financial Statement

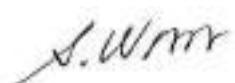
Report of the Board of Directors's responsibility for financial statement

The Board of Directors of M.K. Real Estate Development Public Company Limited is responsible for consolidated and separate financial statements of the Company and its subsidiaries, including financial information that are disclosed in the annual report of the Company. The Company's financial statement has been prepared in accordance with appropriate accounting standards and policies and practice regularly under conservative basis and reasonable in financial statement preparation, including adequate disclosure of important information for benefit of shareholders and general investors.

In addition, to establish an effective internal control and risk management system, appropriate and ensure that the accounting information is accurate, complete, adequate, and timely to protect the Company's assets, as well as to prevent fraud or any material unusual operation, the Board of Directors has appointed an Audit Committee that consists of independent directors to review the Company to has accurate and adequate financial reporting, supervise the quality and reliability of accounting system, audit system, appropriate and effective internal control system, including considering related transactions, connected transactions or transactions that may lead to conflict of interest in accordance with laws and regulations of the Stock Exchange of Thailand to ensure that such transactions are reasonable and in the best interest of the Company. In this regard, the Audit Committee has expressed its opinions in Audit Committee report which is shown in the Annual report.

The consolidated and separate financial statement of the Company for the year ended 31 December 2022 have been prepared in accordance with Thai Financial Reporting Standards and Accounting Standards and has been audited by certified public accountant from KPMG Phoomchai Audit Company Limited. It receives information and documents from the Company which is enough to audit the financial statement of the Company in order to express independent opinion from the Company in accordance with Code of Ethics of Accounting Professionals stipulated by the Federation of Accounting Professions in relating with financial statement audit. The auditor has expressed an opinion on the consolidated and separate financial statement of the Company in the auditor's report which is shown in the annual report.

The Board of Directors has opined that the Company's overall internal control system is sufficient and appropriate and able to reasonably build confidence that financial statement of the Company and its subsidiaries for year ended 31 December 2022 are reliable, accurate and in accordance with financial reporting standards and accounting standards generally accepted in Thailand, including relevant laws and regulations.



Mr. Suthep Wongvorazathe

Chairman

Independent Auditor's Report

To the Shareholders of M.K. Real Estate Development Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of M.K. Real Estate Development Public Company Limited and its subsidiaries (the "Group") and of M.K. Real Estate Development Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and 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 is relevant to my audit of the consolidated and separate 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 Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of real estate development for sale	
Refer to Notes 3 (g) and 6 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group's real estate development for sale are measured at the lower of cost and net realisable value. The determination of the net realisable value of these real estate development for sale is dependent upon the Group's estimations of future selling prices and estimated cost to complete.</p> <p>Future trends in real estate business markets may be different from the past experiences. There is therefore a risk that the net realisable value is less than cost, due to changes in selling prices. Also future build costs are subject to a number of variables including market conditions in respect of materials and sub-contractor cost and construction issues.</p> <p>These inherent uncertainties require judgments which would result in the carrying value of real estate development for sale or gross profit, which my audit focused on.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - I inquired the management to understand and assessed the process of the estimation of net realisable value of real estate development for sale and performed testing effectiveness of key controls over the process of approvals relating to the setting and updating selling price, setting budgets and reviewing cost forecasts; - I evaluated the appropriateness of the estimated selling prices by comparing sales estimates to sales made to date and real estate price trend information; - I evaluated the appropriateness of the estimated cost to complete by comparing the cost estimates to the actual costs and supporting documents, including checking that they were allocated to the appropriate site and development phase, and met the definition of development costs; and - I considered the adequacy of the Group's disclosure in accordance with Thai Financial Reporting Standard.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters 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.



(Charinrat Noprampa)

Certified Public Accountant

Registration No. 10448

KPMG Phoomchai Audit Ltd.

Bangkok

28 February 2023

M.K. Real Estate Development Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Assets	Note	2022	2021	2022	2021
(in Baht)					
<i>Current assets</i>					
Cash and cash equivalents	5	415,671,707	172,186,504	302,102,674	75,258,697
Other current financial assets	26	-	318,007,541	-	300,007,204
Trade and other current receivables	26	1,018,556,223	88,880,249	961,617,312	9,939
Short-term loans to related parties	4	808,500,000	570,000,000	2,627,291,464	2,075,500,000
Short-term loans to other parties		81,200,000	110,000,000	62,700,000	85,000,000
Real estate development for sale	6,7	3,224,114,891	4,132,797,908	2,596,643,352	3,502,568,183
Inventories		5,878,519	4,690,761	389,057	747,390
Other current assets		250,027,819	148,863,671	67,938,569	141,346,996
Total current assets		5,803,949,159	5,545,426,634	6,618,682,428	6,180,438,409
<i>Non-current assets</i>					
Deposits pledged as collateral	7	63,813,614	21,503,986	4,070,000	5,451,730
Investments in associates	7,8	193,095,045	204,151,175	206,531,953	210,846,755
Investments in subsidiaries	9	-	-	7,331,318,854	5,604,068,283
Investments in joint ventures	8	590,912,031	605,542,331	-	-
Other non-current financial assets	26	8,494,420	10,125,670	7,554,870	9,186,120
Land held for development	7	467,837,049	467,837,049	455,717,095	455,717,095
Investment properties	7, 10	6,441,471,625	5,193,963,373	83,328,022	60,504,923
Property, plant and equipment	7, 11	5,746,694,891	5,785,383,666	500,968,512	1,254,010,000
Intangible assets	13	33,287,021	21,074,405	7,232,955	11,640,909
Deferred tax assets	24	189,757,287	160,966,124	15,628,482	71,503,774
Deposits		30,000,000	120,000,000	-	90,000,000
Other non-current receivable		30,000,000	781,500,000	30,000,000	781,500,000
Other non-current assets		265,292,059	123,048,880	68,017,854	55,803,361
Total non-current assets		14,060,655,042	13,495,096,659	8,710,368,597	8,610,232,950
Total assets		19,864,604,201	19,040,523,293	15,329,051,025	14,790,671,359

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

M.K. Real Estate Development Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Liabilities and equity		2022	2021	2022	2021
(in Baht)					
<i>Current liabilities</i>					
Short-term borrowings from					
financial institutions	14	694,688,632	1,142,136,857	644,688,632	1,092,136,857
Trade and other current payables		296,281,401	449,731,569	56,996,514	47,598,138
Current portion of long-term borrowings from					
financial institutions	14, 26	396,208,436	284,357,104	59,237,589	56,301,991
Current portion of payables for purchase of					
land	26		647,000,000	-	-
Short-term debentures	14	1,206,004,916	1,701,986,162	1,206,004,916	1,701,986,162
Current portion of long-term debentures	14, 26	2,812,121,622	1,435,816,504	2,512,710,855	917,040,890
Short-term loans from related parties	4, 14	116,985,500	-	116,985,500	20,000,000
Short-term loans from other parties	14	-	227,473,169	-	69,396,487
Current portion of lease liabilities	14, 26	17,127,385	23,023,075	1,056,276	913,939
Current income tax payable		719,349	-	-	-
Customers' deposits		42,233,841	29,114,272	753,197	3,178,230
Other current liabilities	15	376,881,513	351,845,562	160,903,463	142,832,410
Total current liabilities		5,959,252,595	6,292,484,274	4,759,336,942	4,051,385,104
<i>Non-current liabilities</i>					
Long-term borrowings from financial					
institutions	14, 26	2,725,189,266	1,916,694,602	173,218,162	733,783,597
Long-term borrowings from other parties	14, 26	80,000,000	-	80,000,000	-
Long-term debentures	14, 26	3,593,502,992	3,437,416,466	2,999,849,751	3,139,610,698
Lease liabilities	14, 26	686,609,548	677,331,633	155,350,624	156,806,897
Deferred tax liabilities		5,383,864	-	-	-
Non-current provisions for employee benefits	16	62,311,916	67,494,514	51,499,906	62,099,860
Other non-current liabilities	17	289,532,853	180,666,634	140,127,023	64,970,893
Total non-current liabilities		7,442,530,439	6,279,603,849	3,600,045,466	4,157,271,945
Total liabilities		13,401,783,034	12,572,088,123	8,359,382,408	8,208,657,049

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

M.K. Real Estate Development Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements 31 December	2021	financial statements 31 December	2021
Equity					
Share capital:					
Liabilities and equity					
Authorised share capital					
(1,117,211,195 ordinary shares, par value at Baht 1 per share)		1,117,211,195	1,117,211,195	1,117,211,195	1,117,211,195
Issued and paid-up share capital					
(1,091,205,066 ordinary shares, par value at Baht 1 per share)		1,091,205,066	1,091,205,066	1,091,205,066	1,091,205,066
Share premium on ordinary shares	18	1,484,159,623	1,484,159,623	1,484,159,623	1,484,159,623
Warrants	18	4,794,681	4,293,812	4,794,681	4,293,812
Retained earnings					
Appropriated					
Legal reserve	19	111,721,120	111,721,120	111,721,120	111,721,120
Unappropriated		3,736,779,256	3,802,669,421	4,277,788,127	3,890,634,689
Other components of equity		2,707,041	(25,613,872)	-	-
Equity attributable to owners of the parent		6,431,366,787	6,468,435,170	6,969,668,617	6,582,014,310
Non-controlling interests		31,454,380	-	-	-
Total equity		6,462,821,167	6,468,435,170	6,969,668,617	6,582,014,310
 Total liabilities and equity		 19,864,604,201	 19,040,523,293	 15,329,051,025	 14,790,671,359

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

M.K. Real Estate Development Public Company Limited and its Subsidiaries

Statement of comprehensive income

Note	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December	For the year ended 31 December	2022	2021
(in Baht)				
Revenues				
Revenue from sale of real estate	1,790,543,456	2,481,141,515	1,784,934,372	2,316,147,886
Revenue from rental and rendering of services	340,105,312	341,332,684	12,664,570	9,525,944
Revenue from management of real estate	118,260,587	91,041,931	-	-
Revenue from health and wellness	57,317,693	25,821,218	-	-
Gain on disposal of investments and investments income	70,839,102	297,326,716	202,198,572	217,056,578
Other income	185,339,423	84,675,037	78,963,264	79,417,846
Total revenues	2,562,405,573	3,321,339,101	2,078,760,778	2,622,148,254
Expenses				
Cost of sale of real estate	1,122,283,100	2,035,485,252	1,119,043,341	1,907,314,642
Cost of rental and rendering of services	145,726,467	167,573,863	2,963,286	2,323,866
Cost of management of real estate	26,951,210	35,029,071	-	-
Cost of health and wellness	152,465,716	132,988,296	-	-
Distribution costs	163,410,914	232,521,666	124,582,600	157,586,778
Administrative expenses	849,335,823	577,075,148	373,167,911	377,271,532
Total expenses	2,460,173,230	3,180,673,296	1,619,757,138	2,444,496,818
Finance costs	23	(598,846,627)	(477,464,528)	(358,365,306)
Share of profit of joint ventures and associates accounted for using equity method	8	4,799,169	60,997,260	-
Profit (loss) before income tax expense		(491,815,115)	(275,801,463)	459,650
Tax income (expense)	24	(20,721,719)	87,789,867	(87,222,876)
Loss for the year from continuing operations		(512,536,834)	(188,011,596)	(86,763,226)
Discontinued operation				
Profit for the year from discontinued operation, net of tax	21	469,911,192	2,700,402	469,911,192
Profit (loss) for the year		(42,625,642)	(185,311,194)	383,147,966
				(141,841,171)

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

M.K. Real Estate Development Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated	Separate
		financial statements	financial statements
		For the year ended	For the year ended
		31 December	31 December
	<i>Note</i>	2022	2021
			2022
			2021
			(in Baht)
Other comprehensive income			
<i>Item that will be reclassified subsequently</i>			
to profit or loss			
Exchange differences on translating financial statements		3,383,801	-
Total item that will be reclassified subsequently		<u>3,383,801</u>	<u>-</u>
to profit or loss		<u>3,383,801</u>	<u>-</u>
<i>Item that will not be reclassified to profit or loss</i>			
Gain on remeasurements of defined benefit plans		1,961,312	11,755,777
Total item that will not be reclassified to profit or loss	24	<u>1,961,312</u>	<u>11,755,777</u>
Other comprehensive income for the year, net of tax		5,345,113	4,005,472
Total comprehensive income (expense) for the year		<u>(37,280,529)</u>	<u>(173,555,417)</u>
Profit (loss) attributable to:			
Owners of the parent		(35,834,137)	(185,311,194)
Non-controlling interests		(6,791,505)	383,147,966
Profit (loss) for the year		<u>(42,625,642)</u>	<u>(141,841,171)</u>
Total comprehensive income (expense) attributable to:			
Owners of the parent		(31,165,784)	(173,555,417)
Non-controlling interests		(6,114,745)	387,153,438
Total comprehensive income (expense) for the year		<u>(37,280,529)</u>	<u>(135,083,883)</u>
Basic earnings (loss) per share			
Basic loss per share from continuing operations	25	<u>(0.4635)</u>	<u>(0.1723)</u>
Basic earnings per share from discontinued operation	25	<u>0.4306</u>	<u>0.0025</u>
		<u>0.4306</u>	<u>0.0025</u>

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

Consolidated financial statements						
	Retained earnings			Other components of equity		
	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Legal reserve	Unappropriated comprehensive income <i>(in Baht)</i>	Equity attributable to owners of the parent
Year ended 31 December 2021						
Balance at 1 January 2021	1,091,205,066	1,484,159,623	3,279,888	111,721,120	3,976,224,838	(25,613,872)
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>	18	-	-	1,013,924	-	-
Share-based payment transactions		-	-	1,013,924	-	-
<i>Total distributions to owners of the parent</i>					1,013,924	-
Comprehensive income for the year						1,013,924
Loss for the year					(185,311,194)	-
Other comprehensive income					11,755,777	(185,311,194)
<i>Total comprehensive income for the year</i>					(173,555,417)	11,755,777
Balance at 31 December 2021	1,091,205,066	1,484,159,623	4,293,812	111,721,120	3,802,669,421	(25,613,872)
					6,468,435,170	-
						6,468,435,170

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

	Consolidated financial statements					
	Retained earnings			Other components of equity		
	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Legal reserve	Unappropriated reserve	Translation reserve (in Baht)
Year ended 31 December 2022	1,091,205,066	1,484,159,623	4,203,842	111,721,120	3,802,689,421	(25,613,872)
Balance at 1 January 2022						
Transactions with owners, recorded directly in equity						
Distributions to owners of the parent	18	-	-	500,869	-	-
Share-based payment transactions	-	-	-	500,869	-	-
Total distributions to owners of the parent	-	-	-	500,869	-	-
Changes in ownership interests in subsidiaries with a change in control	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity	-	-	-	500,869	-	-
Comprehensive income for the year						
Loss for the year	-	-	-	(35,634,137)	-	(35,634,137)
Other comprehensive income	-	-	-	1,361,312	2,707,041	4,068,353
Total comprehensive income for the year	-	-	-	(33,672,825)	2,707,041	(31,165,784)
Transfer to retained earnings	-	-	-	(32,017,340)	25,613,872	(6,403,468)
Balance at 31 December 2022	1,091,205,066	1,484,159,623	4,794,681	111,721,120	3,796,779,256	2,707,041
						6,431,386,787
						31,454,380
						6,462,821,167

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

M.K. Real Estate Development Public Company Limited and its Subsidiaries
 Statement of changes in equity

		Separate financial statements			
		Share premium	Total	Retained earnings	
Note	Issued and paid-up share capital	on ordinary shares	Legal reserve	Unappropriated equity	
Year ended 31 December 2021					
Balance at 1 January 2021	1,091,205,066	1,484,159,623	3,279,888	111,721,120	4,025,718,572
					6,716,084,269
Transactions with owners, recorded directly in equity					
<i>Distributions to owners of the Company</i>					
Share-based payment transactions	78	-	1,013,924	-	-
<i>Total distributions to owners of the Company</i>			1,013,924	-	1,013,924
Comprehensive income for the year					
Loss for the year		-	-	(14,841,171)	(141,841,171)
Other comprehensive income		-	-	6,757,288	6,757,288
<i>Total comprehensive income for the year</i>				(135,083,883)	(135,083,883)
Balance at 31 December 2021	1,091,205,066	1,484,159,623	4,293,812	111,721,120	3,890,634,689
					6,582,014,310

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

M.K. Real Estate Development Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Share capital Issued and paid-up on ordinary shares	Warrants	Separate financial statements		Total
				Share premium on ordinary shares	Retained earnings Legal reserve (in Baht)	
Year ended 31 December 2022						
		1,091,205,066		1,484,159,623	4,293,812	111,721,120
Balance at 1 January 2022						
						3,890,634,689
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
				500,869	-	-
				500,869	-	-
						500,869
<i>Share-based payment transactions</i>						
<i>Total distributions to owners of the Company</i>						
Comprehensive income for the year						
Profit for the year		-	-	-	-	383,147,966
Other comprehensive income		-	-	-	-	4,005,472
Total comprehensive income for the year		-	-	-	-	387,153,438
Balance at 31 December 2022						
		1,091,205,066		1,484,159,623	4,794,681	111,721,120
						4,277,788,127
						6,969,668,617

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

M.K. Real Estate Development Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
(in Baht)				
Cash flows from operating activities				
Profit (loss) for the year	(42,625,642)	(185,311,194)	383,147,966	(141,841,171)
<i>Adjustments to reconcile profit (loss) to</i>				
<i>cash receipts (payments)</i>				
Depreciation and amortisation	275,367,502	295,204,736	60,925,172	63,104,887
Gain on disposal of property, plant and equipment and intangible assets	(578,092,952)	(1,827,404)	(578,398,106)	(1,840,483)
Reversal of loss on declining in value of real estate development for sale	(174,056)	(1,965,995)	(174,056)	(1,965,995)
Loss on disposal of other non-current assets	2,826,318	7,257	-	-
Expected credit loss	287,754	-	-	-
Loss on disposal of other long term investment	1,598,125	-	1,598,125	-
Unrealised (gain) loss on other current financial assets	-	9,081	-	(526)
Gain on disposal of other current financial assets	(97,891)	(464,775)	(66,971)	(361,184)
Share-based payment	500,869	1,013,924	500,869	1,013,924
Gain on disposal of investment in subsidiary	-	(272,097,468)	-	(52,000,000)
Interest income	(69,565,992)	(24,102,001)	(168,812,470)	(146,544,333)
Dividend income	(1,175,219)	(671,554)	(33,319,131)	(18,150,534)
Finance costs	598,846,627	477,464,528	458,543,990	358,365,306
Share of profit of joint ventures and associates accounted for using equity method	(4,799,169)	(60,997,260)	-	-
Tax (income) expenses	20,721,719	(87,789,867)	87,222,876	(36,172,297)
	203,617,993	138,472,008	211,168,264	23,607,594
Changes in operating assets and liabilities				
Trade and other current receivables	(98,389,974)	(10,479,199)	(130,107,374)	(9,939)
Real estate development for sale	777,124,926	1,275,352,790	774,366,740	1,153,676,588
Inventories	(1,187,758)	(1,186,619)	358,333	(747,390)
Other current assets	(112,825,763)	(46,286,924)	26,680,866	13,193,361
Land held for development	-	9,216,577	-	9,216,577
Other non-current assets	(59,199,347)	28,035,874	62,662,703	(30,546,200)
Trade and other current payables	(169,801,064)	81,021,589	9,294,693	(136,378,720)
Customers' deposits	13,119,569	9,909,306	(2,425,033)	(1,113,729)
Other current liabilities	11,403,705	(15,233,279)	(6,605,549)	(45,700,313)
Non-current provisions for employee benefits	(2,730,958)	(10,306,449)	(5,593,114)	(14,033,067)
Other non-current liabilities	108,866,219	26,403,680	75,156,131	(5,649,478)
Net cash generated from operating activities	669,997,548	1,484,919,354	1,014,956,660	965,515,284
Income tax paid	(97,853,415)	(65,809,356)	(78,155,008)	(27,296,037)
Net cash from operating activities	572,144,133	1,419,109,998	936,801,652	938,219,247

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

M.K. Real Estate Development Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022
		(in Baht)		
Cash flows from investing activities				
Interest received		95,510,648	19,721,940	92,040,615
Dividends received		17,451,310	44,037,069	33,319,131
Acquisition of investment properties		(1,955,600,558)	(1,195,041,952)	-
Acquisition of buildings and equipment		(832,861,597)	(110,448,770)	(4,920,754)
Deposit paid for purchase of commercial buildings				
and leasehold right		-	(120,000,000)	-
Acquisition of intangible assets		(10,492,383)	(8,422,633)	(945,144)
Proceeds from sale of intangible assets		664,340	-	664,340
Proceeds from sale of property, plant and equipment		1,399,545,465	2,055,701	1,399,467,428
Increase in short-term loans to related parties		(313,500,000)	(615,000,000)	(2,530,578,195)
Proceeds from short-term loans to related parties		75,000,000	45,000,000	935,836,146
Increase in short-term loans to other party, net		-	(5,000,000)	-
Decrease (increase) in deposits pledged as collateral		(42,309,628)	(16,854,088)	1,381,730
Decrease (increase) in other current financial assets		318,105,432	(126,488,368)	300,074,175
Proceeds from sale of long-term investment		33,125	-	33,125
Proceeds from short-term loans to other parties		28,800,000	-	22,300,000
Net cash inflow on capital reduction of associate		4,314,802	7,270,715	4,314,802
Net cash outflow on acquisition of joint ventures		(499,900)	(260,904,400)	-
Net cash inflow (outflow) on disposal (acquisition) of subsidiary		-	221,776,728	(560,800,570)
Net cash used in investing activities		<u>(1,215,838,944)</u>	<u>(2,118,298,058)</u>	<u>(307,813,171)</u>
				<u>(928,154,573)</u>
Cash flows from financing activities				
Finance costs paid		(597,216,948)	(488,578,141)	(435,960,890)
Increase (decrease) in short-term borrowings				
from financial institutions		(479,073,768)	227,899,664	(479,073,768)
Repayment of short-term loans from related parties		(110,000,000)	-	(130,000,000)
Proceed from short-term loans from related parties		226,985,500	-	226,985,500
Decrease in short-term loans from other parties, net		(229,372,975)	(428,708,027)	(71,296,293)
Payment of lease liabilities		(35,349,418)	(15,724,193)	(9,981,573)
Proceeds from long-term borrowings				
from financial institutions		1,835,192,852	2,522,597,804	156,482,440
Repayment of long-term borrowings				
from financial institutions		(905,175,724)	(1,881,132,832)	(714,299,920)
Proceeds from long-term borrowings from other parties		80,000,000	-	80,000,000
Proceeds from issue of debentures		5,148,400,000	3,142,000,000	4,548,400,000
Repayment of debentures		(4,093,400,000)	(2,371,000,000)	(3,573,400,000)
Acquisition of non-controlling interests with				
a change in control		37,569,125	-	-
Net cash from (used in) financing activities		<u>878,558,644</u>	<u>707,354,275</u>	<u>(402,144,504)</u>
				<u>4,159,926</u>
Net increase in cash and cash equivalents, before effect of exchange rate changes		234,863,833	8,166,215	226,843,977
Effect of exchange rate changes on cash and cash equivalents		8,621,370	-	-
Net increase in cash and cash equivalents		<u>243,485,203</u>	<u>8,166,215</u>	<u>226,843,977</u>
Cash and cash equivalents at beginning of year		172,186,504	164,020,289	75,258,697
Cash and cash equivalents at ending of year	5	<u>415,671,707</u>	<u>172,186,504</u>	<u>302,102,674</u>
				<u>75,258,697</u>

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

M.K. Real Estate Development Public Company Limited and its Subsidiaries

Statement of cash flows

Consolidated	Separate	
financial statements	financial statements	
For the year ended	For the year ended	
31 December	31 December	
2022	2021	2022
		(in Baht)

Supplement disclosures of cash flows information

Non-cash transactions

Transfers real estate development for sale to

investment properties	-	51,473,883	-
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Transfers investment properties to

property, plant and equipment	-	506,512,911	-
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Transfers real estate development for sale to

property, plant and equipment	142,062,910	-	142,062,910	-
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Transfers property, plant and equipment to

investment properties	25,772,777	26,334,438	25,772,777	26,334,438
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Disposal of subsidiary for which receives

have not yet been made	-	781,500,000	-	781,500,000
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Acquisition of subsidiaries by transferring promissory

notes and interest receivables from related parties	-	-	1,166,451,450	1,539,039,658
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Acquisitions of right-of-use assets under leases

-	365,052,272	-	-
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Refunds of deposit for purchase of commercial

buildings by receiving promissory notes	70,000,000	-	70,000,000
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The accompanying notes form an integral part of the financial statements.

M.K. Real Estate Development Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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M.K. Real Estate Development Public Company Limited and its Subsidiaries**Notes to the financial statements**

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2023.

1. General information

M.K. Real Estate Development Public Company Limited, the "Company", is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 26 March 1990. The Company's registered office at 345 Surawong 345 Building 6-8th Floor, Surawong Road, Suriyawong, Bang Rak District, Bangkok 10500.

The Company's major shareholders during the financial year were FNS Holdings Public Company Limited (Formerly Finansa Public Company Limited), incorporated in Thailand (31.51% shareholding) and Mr. Prateep Tangmatitham (12.91% shareholding).

The principal activities of the Group are property development for sale including land, land and house, condominium, construction for the Company's own projects, building and parking rental, and health and wellness center. Details of the Company's subsidiaries, associates and joint ventures as at 31 December 2022 and 2021 are given in notes 8 and 9.

2. Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company's functional currency. The accounting policies have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3. Significant accounting policies

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group’s interest in a subsidiary that does not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control is accounted for as other surplus/deficit in shareholders’ equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint ventures are an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognises investments in associates and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly

contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

The Group elect to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

(b) *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) *Foreign currency transactions*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

(d) *Financial instruments*

(d.1) *Classification and measurement*

Debt securities issued by Group are initially recognised when they are originated. Other financial assets and financial liabilities (except trade receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offsetting

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Impairment of financial assets other than trade receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition. Bank overdraft that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade receivables

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Real estate development for sale

Real estate development for sale is real estate that is held with the intention to sell in the ordinary course of business. This real estate is measured at the lower of cost and net realisable value.

The cost of real estate development for sale comprises the cost of land, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development for sale are capitalised as part of the cost of the property until the completion of development. Cost of real estate development for sale includes an allocation of common area property development expenditure based on saleable area.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

When real estate development for sale are sold, the cost of that real estate is recognised as an expense in the period in which the related revenue is recognised.

(h) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each property and recognised in profit or loss. No depreciation is charged on freehold land and assets under construction.

The estimated useful lives are as follows:

Warehouse / factory buildings	term of the lease, 23 - 30 Years
Buildings on leased land	term of the lease, 22 - 35.5 Years
Rental buildings and facility systems	10 - 20 Years
Facility on leased land	10 Years
Furniture and fixture for lease	5 Years

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(i) *Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Golf course	30	Years
Buildings and constructions	15 - 35.5	Years
Machinery and equipment	5	Years
Furniture, fixtures and office equipment	5	Years
Vehicles	4 - 5	Years

(j) *Intangible assets*

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licenses	5	Years
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(k) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a *lessor*

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

(I) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) *Employee benefits*

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(o) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(p) *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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(q) *Revenue from contracts with customers*

(1) *Revenue recognition*

Revenue is recognised when an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and specific business tax and is after deduction of any discounts and consideration payable to the customer.

Revenue from sale of real estate

Revenue from sale of real estate is recognised when a customer obtains control of the real estate.

For bundled packages, the Group accounts for individual real estate and other products separately if they are distinct and a customer can benefit from it separately. The consideration received is allocated based on their relative stand-alone selling prices.

Deposits and instalments received from customers on real estate sold prior to the date of revenue recognition are presented as contract liabilities in the statement of financial position. Deposits and instalments received from customers are recognised as revenue when the Group transfers control over the real estate to the customers. For advances that contain a significant financing component interest expense. Interest expense is recognised using the effective interest method.

Sale of goods and rendering of services

Revenue from sale of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data. Revenue from rendering of services is recognised over time when the services are provided.

(2) Contract balance

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(r) Other income

Other income comprises dividend, interest income and others.

(s) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share*

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(u) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

(v) *Segment reporting*

Segment results that are reported to the Group's the CEO (chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4. Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 8 and 9.

Other related parties which the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
FNS Holdings Public Company Limited (Formerly Finansa Public Company Limited)	Thailand	Major shareholder, 31.51% shareholding and common director.
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>(in thousand Baht)</i>				
Subsidiaries				
Revenue from rental and rendering of services	-	-	5,826	3,330
Dividend income	-	-	15,999	-
Interest income	-	-	127,086	137,661
Management service income	-	-	10,890	11,400
Project and personal management fee	-	-	22,835	19,931
Management fee	-	-	610	258
Interest expense	-	-	550	626
Associates				
Management fee income	11,824	11,129	-	-
Property management income	50,636	49,183	-	-
Dividend income	-	-	16,276	17,555
Joint ventures				
Service fee income	4,128	4,441	4,128	4,441
Property management income	45,666	10,700	-	-
Interest income	41,272	20,078	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	40,041	34,815	23,602	24,966
Post-employment benefits	1,820	2,140	1,237	1,641
Other long-term benefits	1	1	1	1
Share-based payment	158	320	158	320
Total key management personnel compensation	42,020	37,276	24,998	26,928
Other related parties				
Revenue from rental and rendering of services	2,992	832	2,992	832
Management fee	7,655	5,647	2,714	2,555
Interest expense	8,695	-	8,695	-

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Balances with related parties</i>				
<i>At 31 December</i>				
<i>Trade and other current receivables</i>				
Associate	19,461	15,980	-	-
Joint ventures	17,514	11,449	-	-
Total	36,975	27,429	-	-
<i>Other current assets</i>				
Subsidiaries				
Interest receivables	-	-	11,980	95,682
Accrued management fee income	-	-	-	321
Joint ventures				
Interest receivables	46,275	6,384	-	-
Accrued income	1,012	1,109	1,012	1,109
Total	47,287	7,493	12,992	97,112
<i>Trade and other current payables</i>				
Other related parties	226	215	214	214
<i>Other current liabilities</i>				
Subsidiaries				
Accrued expenses	-	-	378	2,765
Other related parties				
Interest payables	5,806	-	5,806	-
Total	5,806	-	6,184	2,765
<i>Other non-current liabilities</i>				
Other related parties	735	133	735	133
<i>Interest rate</i>				
<i>Loans to</i>	At 31 December (% per annum)	1 January	Increase	Decrease
			(in thousand Baht)	
<i>2022</i>				
Joint ventures	5.50 - 6.50	570,000	313,500	(75,000)
Total		570,000		808,500
<i>2021</i>				
Joint ventures	5.50 - 6.50	-	615,000	(45,000)
Total		-		570,000

Loans to	Interest rate		Separate financial statements		
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December
2022					
Subsidiaries	4.25 - 6.50	<u>2,075,000</u>	2,530,578	(1,978,787)	<u>2,627,291</u>
Total		<u>2,075,000</u>			<u>2,627,291</u>
2021					
Subsidiaries	4.25 - 5.25	<u>2,603,518</u>	2,055,000	(2,583,018)	<u>2,075,500</u>
Total		<u>2,603,518</u>			<u>2,075,500</u>
 Interest rate					
Loans from	Interest rate		Consolidated financial statements		
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December
2022					
Other related parties	6.25	<u>-</u>	226,986	(110,000)	<u>116,986</u>
Total		<u>-</u>			<u>116,986</u>
 Interest rate					
Loans from	Interest rate		Separate financial statements		
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December
2022					
Subsidiaries	2.00 - 4.25	20,000	-	(20,000)	-
Other related parties	6.25	<u>-</u>	226,986	(110,000)	<u>116,986</u>
Total		<u>20,000</u>			<u>116,986</u>
2021					
Subsidiaries	2.00 - 4.25	<u>21,000</u>	-	(1,000)	<u>20,000</u>
Total		<u>21,000</u>			<u>20,000</u>

Significant agreements

Short-term loans from related parties – unsecured

At the Board of Directors' meeting of the Company, held on 14 March 2022, the Board approved the Company and/or its subsidiaries accepted to receive financial assistance not exceeding Baht 500 million from FNS Holdings Public Company Limited (Formerly Finansa Public Company Limited), which is a major shareholder of the Company, for working capital, repayment of the loan and expanding the operation.

On 31 December 2022, the Company entered into loan agreements with the entity as mentioned above totaling Baht 116.98 million at 6.25% interest rate per annum. The due date will be on 17 March 2023.

Service agreements

On 1 December 2020, the Company entered into service agreements with subsidiaries to provide management support service for a period of 3 years starting from 1 January 2021 to 31 December 2023 with service rates as specified in the agreements.

A subsidiary entered into service agreement with the Trust to service secondary road at rates ranging from Baht 1.32 - 2.25 per sqm per month until the year 2039.

Lease agreements

On 1 December 2020, the Company entered into lease agreements with subsidiaries to lease its office space for a period of 3 years starting from 1 January 2021 to 31 December 2023 with rental rates as specified in the agreements.

On 1 December 2020, the Company entered into lease agreements with a related party to lease its office space for a period of 3 years starting from 1 December 2020 to 30 November 2023 with rental rates as specified in the agreements.

Shareholder agreement

Under shareholder agreement, a subsidiary agreed with a joint venture to provide service in recommending new tenants to the joint venture with the commission income as the specified rate in the shareholder agreement.

Management and supervisory construction agreement and property management

On 1 August 2021, a subsidiary entered into agreement with a joint venture for management and supervisory construction and property management starting from 1 August 2021 to 31 December 2026. The subsidiary will receive remuneration for management and supervisory construction, property management and compensation for referring tenants as specified in the agreements.

Property Management Appointment Agreement

A subsidiary entered into an agreement with Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust (the "Trust"), an associate, to manage the Trust's properties. In accordance with property management appointment agreement, the subsidiary will receive monthly remuneration from the Trust which are summarised as follows:

1. Property management fee at 4.0% of rental and service income for the amount not exceeding Baht 500 million. At 3.0% of rental and service income for the amount that exceeding Baht 500 million but not exceeding Baht 750 million. At 2.0% of rental and service income for the amount that exceeding Baht 750 million.
2. Incentive fee at 6.0% of performance on operation for the amount not exceeding Baht 400 million. At 5.0% of performance on operation for the amount that exceeding Baht 400 million but not exceeding Baht 600 million. At 4.0% of performance on operation for the amount that exceeding Baht 600 million.
3. Commission fee at 0.5 month of rental and service rate for extend contract lessee and 1.0 month of rental and service rate for new lessee.

REIT Manager Appointment Agreement

An indirect subsidiary entered into the REIT Management Appointment Agreement with the trustee of the Trust to be appointed as REIT manager, which will receive a monthly management fee from the Trust at 0.30% of cost of main assets of the Trust including book value of investments in other assets which is not lower than Baht 10 million per annum.

Guarantee obligations with related party

The Company has joint - guaranteed of long-term borrowings from a local financial institution of Frasers Property BFTZ Co., Ltd, a joint venture, amounting to Baht 1,281 million (2021: 1,281 million). Under guarantee obligations, the Company entered into letter of undertaking agreements with the joint venture and the joint venture agreed to pay service fee at the rate as specified in the agreements. As at 31 December 2022, the joint venture utilised the credit facilities totaling Baht 1,231.56 million (2021: 1,231.56 million).

5. Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
(in thousand Baht)				
Cash on hand	2,080	849	444	590
Cash at banks - current accounts	75,834	17,910	15,181	1,064
Cash at banks - savings accounts	337,353	153,033	286,094	73,230
Highly liquid short-term investments	404	395	384	375
Total	415,671	172,187	302,103	75,259

6. Real estate development for sale

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
(in thousand Baht)				
Land and construction developing				
for sales	2,776,059	3,404,700	2,148,587	2,774,470
Houses and sample houses	448,035	728,218	448,035	728,218
Construction materials	21	54	21	54
Total	3,224,115	4,132,972	2,596,643	3,502,742
Less allowance for devaluation	-	(174)	-	(174)
Net	3,224,115	4,132,798	2,596,643	3,502,568
Finance costs capitalised in real estate				
development for sale during the year	10,331	38,619	10,331	38,619
Capitalisations rate (% per annum)	3.75 - 4.53	3.50 - 4.75	3.75 - 4.53	3.50 - 4.75
Reversal of write-down to net				
realisable				
value recognised in 'cost of sales of				
real estate'	(174)	(1,966)	(174)	(1,966)

In 2022, The Group transferred land under real estate development for sale to plant, property and equipment amounting to Baht 142.06 million to use for the operation of golf course.

In 2021, the Group transferred land and constructions thereon under real estate development for sale to investment properties amounting to Baht 51.47 million since the land and constructions are leased to other parties.

At 31 December 2022, land and construction developments for sales of the Group and the Company which are expected to complete over the next year as of report date are in amount of Baht 1,351 million (2021: Baht 1,738.40 million).

7. Assets used as collateral

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
(in thousand Baht)				
Savings accounts	44,327	2,017	-	1,382
Fixed deposit accounts - 12 months	19,487	19,487	4,070	4,070
	63,814	21,504	4,070	5,452
Investment in an associate	193,095	204,151	206,532	210,847
Real estate development for sale	2,615,055	3,400,087	1,965,055	2,750,087
Land held for development	259,314	157,503	259,314	157,503
Investment properties	3,941,693	2,485,669	77,952	54,970
Land and buildings	2,305,926	2,400,802	430,369	942,734
Total	9,378,897	8,669,716	2,943,292	4,121,593

Assets used as collateral are pledged as collateral in respect of letters of guarantee and liabilities from financial institutions and other party. The issuing bank's letters of guarantee to a government agency are used to guarantee infrastructure for the developing projects of the Group.

As at 31 December 2022, the Company mortgaged its trust units in Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust of 21,847,100 units which has amount at cost in separate financial statements amounting to Baht 206.53 million (2021: Baht 210.85 million) to pledge as collateral with a financial institution in respect of credit facility.

8. Investments in associates and joint ventures

Consolidated financial statements									
	Type of business	Ownership interest (%)	Paid-up capital 2022 2021	Cost 2022 2021	Equity (in thousand Baht)	Fair value of listed securities 2022 2021			
Associates									
Samukkee Cement Co., Ltd.	Cement producer	40.64	40.64	235,000	154,079	-	-	-	-
Subnorasing Co., Ltd.	Sand supplier	36.07	36.07	18,000	6,493	-	-	-	-
Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust	Trust	8.92	8.92	2,264,808	2,313,196	206,532	210,847	193,095	204,151
						367,104	371,419	193,095	204,151
<i>Joint ventures</i>									
BFTZ Bangpakong Co., Ltd.	Property development for lease	50.00	50.00	500,000	250,000	250,000	224,974	242,390	-
BFTZ Wangnai Co., Ltd.	Property development for lease	50.00	50.00	5,000	2,500	2,500	-	-	477
Frasers Property BFTZ Co.,Ltd.	Property development for lease	40.00	40.00	786,932	786,932	314,773	314,773	365,988	362,675
Rakxa Venture Co., Ltd.	Health and wellness clinic, and rehabilitation center	50.00	-	1,000	-	500	-	-	-
						567,773	567,273	590,912	605,342
						934,877	938,692	784,007	809,693

All associates and joint ventures were incorporated and mainly operated in Thailand.

		Separate financial statements					
Type of business	Ownership interest	Paid-up capital	Cost	Impairment	At cost - net	Fair value of listed securities	
	2022	2021	2022	2021	2022	2021	
<i>Associate</i>							
Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust	8.92	8.92	2,264,808	2,313,196	206,532 <hr/> 206,532	210,847 <hr/> 210,847	- <hr/> -
					- <hr/> -	- <hr/> -	206,532 <hr/> 206,532
							210,847 <hr/> 210,847

<i>Material movements</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Associates</i>				
At 1 January	204,151	218,461	210,847	218,117
Return of capital in Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust	(4,315)	(7,270)	(4,315)	(7,270)
Dividends received from Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust	(16,276)	(17,555)	-	-
Share of profit accounted for using equity method	9,535	10,515	-	-
At 31 December	<u>193,095</u>	<u>204,151</u>	<u>206,532</u>	<u>210,847</u>
<i>Joint ventures</i>				
At 1 January	605,542	326,479	-	-
Increase capital in Rakxa Venture Co., Ltd.	500	-	-	-
Increase capital in BFTZ Bangpakong Co., Ltd.	-	250,000	-	-
Increase capital in BFTZ Wangnai Co., Ltd.	-	2,500	-	-
Increase capital in Frasers Property BFTZ Co., Ltd.	-	8,404	-	-
Dividends received from Frasers Property BFTZ Co., Ltd.	-	(25,811)	-	-
Share of profit (loss) accounted for using equity method	(4,736)	50,482	-	-
Downstream transaction	(10,394)	(6,512)	-	-
At 31 December	<u>590,912</u>	<u>605,542</u>	<u>-</u>	<u>-</u>

Acquisitions

On 4 April 2022, Rx Wellness Co., Ltd., a subsidiary, invested in an entity namely "Rakxa Venture Co., Ltd." (Formerly Health and Wellness Ventures Co., Ltd.) which business types are health and wellness clinic, and rehabilitation center. The entity has been registered with the Ministry of Commerce on 4 April 2022 and has authorised share capital amounting to Baht 1 million (10,000 ordinary shares with a par value of Baht 100 per share). The subsidiary has fully-paid the share capital for a consideration of Baht 0.5 million. The subsidiary has ownership interest in the entity 50% of issued and paid-up share capital.

Return of capital from an associate

On 10 June 2022, the Company received return of capital from Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust of Baht 0.1975 per unit, amounting to Baht 4.32 million.

Material associates and joint ventures

The following table summarises the financial information of the material associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

Prospect Logistics and Industrial Freehold and Leasehold Real Estate	Investment Trust		Frasers Property BFTZ Co., Ltd.		BFTZ Bangpakong Co., Ltd.		BFTZ Wangnoi Co., Ltd.	
	2022	2021	2022	2021	2022	2021	2022	2021
<i>(in thousand Baht)</i>								
Revenue	445,212	443,197	132,509	279,435	63,035	40,522	-	7
Profit (loss) from operations	208,575	209,291	8,155	134,008 ^a	(18,682)	(5,421) ^a	3,686	(820) ^b
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income (100%)	208,575	209,291	8,155	134,008	(18,682)	(5,421)	3,686	(820)
Ownership interest (%)	8.92	8.92	40.00	40.00	50.00	50.00	50.00	50.00
Total comprehensive income (Group's interest)	18,602	18,662	3,262	53,603	(9,341)	(2,711)	1,843	(410)
Adjustment accounting policy of the Group	(9,067)	(8,147)	-	-	-	-	-	-
Group's share of total comprehensive income	<u>9,535</u>	<u>10,515</u>	<u>3,262</u>	<u>53,603</u>	<u>(9,341)</u>	<u>(2,711)</u>	<u>1,843</u>	<u>(410)</u>
Current assets	191,529	280,313	69,808 ^b	123,343 ^b	137,895 ^b	63,666 ^b	67,649 ^b	16,216 ^b
Non-current assets	3,348,722	3,343,600	1,929,655	2,003,956	5,014,101	4,216,224	1,962,506	641,749
Current liabilities	(261,447)	(200,649)	(217,959) ^c	(243,136) ^c	(1,391,007) ^c	(897,228) ^c	(869,295) ^c	(458,099) ^c
Non-current liabilities	(905,690)	(1,027,813)	(866,650) ^d	(977,475) ^d	(3,294,893) ^d	(2,888,084) ^d	(1,152,594) ^d	(195,686) ^d
Net assets (100%)	<u>2,373,114</u>	<u>2,395,451</u>	<u>914,844</u>	<u>906,688</u>	<u>466,096</u>	<u>494,578</u>	<u>8,266</u>	<u>4,180</u>
Ownership interest (%)	8.92	8.92	40.00	40.00	50.00	50.00	50.00	50.00
Group's interest in net assets of investee (Group's interest)	211,618	213,607	365,988	362,675	233,048	247,289	2,320	2,090
Adjustment accounting policy of the Group	(18,523)	(9,456)	-	-	-	-	-	-
Downstream transaction	-	-	-	-	(8,074)	(4,899)	(2,320)	(1,613)
Carrying amount of interest in associates/joint ventures	<u>193,095</u>	<u>204,151</u>	<u>365,988</u>	<u>362,675</u>	<u>224,974</u>	<u>242,390</u>	<u>-</u>	<u>477</u>

	Frasers Property	BFTZ Co., Ltd.	BFTZ Bangpakong Co., Ltd.	BFTZ Wangnai Co., Ltd.
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Remark:				
a. Includes:				
- depreciation and amortisation	58,033	51,740	-	-
- interest expense	33,722	34,364	73,752	44,127
- tax expense	2,209	24,646	(3,806)	1,557
b. Includes cash and cash equivalents	18,119	57,380	19,755	23,037
c. Includes current financial liabilities (excluding trade and other payables and provisions)	(109,442)	(102,320)	(1,116,000)	(884,000)
d. Includes non-current financial liabilities (excluding trade and other payables and provisions)	(850,566)	(958,566)	(3,273,392)	(2,880,574)
			(775,674)	(177,835)

- a. Includes:
- depreciation and amortisation
 - interest expense
 - tax expense
- b. Includes cash and cash equivalents
- c. Includes current financial liabilities
(excluding trade and other payables and provisions)
- d. Includes non-current financial liabilities
(excluding trade and other payables and provisions)

9. Investments in subsidiaries

	Type of business	Ownership interest (%)	Separate financial statements						At cost+net of impairment 2022	At cost+net of impairment 2021		
			Paid-up capital		Cost (in thousand Baht)	2021	2022	Impairment				
			2022	2021								
<i>Direct subsidiaries</i>												
Mancon Company Limited	Property development	100.00	100.00	20,000	32,870	32,870	-	-	32,870	32,870		
RX Wellness Co., Ltd.	Property development and health and wellness	100.00	100.00	4,600,000	100,000	4,599,999	100,000	-	4,599,999	100,000		
Prospect Development Co., Ltd.	Property development for lease	100.00	100.00	2,260,000	2,260,000	2,045,450	2,045,450	-	2,045,450	2,045,450		
Yours Property Management Co., Ltd.	Property management	100.00	100.00	3,000	3,000	3,000	3,000	-	3,000	3,000		
Munkong Life Co., Ltd.	Property development for rent and rehabilitation	-	100.00	-	2,600,000	-	2,599,999	-	-	2,599,999		
MKH Assets Co., Ltd.	Health and wellness	-	100.00	-	35,000	-	34,999	-	-	34,999		
Health and Wellness Village Co., Ltd.	Medical and health and wellness	-	100.00	-	137,750	-	137,750	-	-	137,750		
S71 Property Co., Ltd.	Property development	100.00	100.00	650,000	650,000	650,000	650,000	-	650,000	650,000		
Total					7,331,319	5,604,068			7,331,319	5,604,068		

Type of business	Ownership interest 2022 (%)	Paid-up capital 2022	Cost 2022	Separate financial statements		Impairment 2022	At cost-net of impairment 2022
				2021	2021 (in thousand Baht)		
<i>Indirect subsidiaries</i>							
Prospect Reit Management Co., Ltd. (100% shareholding through Prospect Development Co., Ltd.)	REIT management	100.00	100.00	16,000	10,000	-	-
Freezone Asset Co.,Ltd. (100% shareholding through Prospect Development Co., Ltd.)	Property development for rent	100.00	100.00	182,500	182,500	-	-
Munkong Life Co., Ltd. (100% shareholding through RX Wellness Co., Ltd.)	Property development for rent and rehabilitation	100.00	-	4,020,000	-	-	-
MKH Assets Co., Ltd. (100% shareholding through RX Wellness Co., Ltd.)	Health and wellness	100.00	-	138,500	-	-	-
Health and Wellness Village Co., Ltd. (100% shareholding through RX Wellness Co., Ltd.)	Medical and health and wellness	100.00	-	283,200	-	-	-
Rx Wellness Blocker US, Inc. (100% shareholding through RX Wellness Co., Ltd.)	Medical and health and wellness	100.00	-	150,277	-	-	-
RAKxa Wellness US, LLC. (80% shareholding through Rx Wellness Blocker US, Inc.)	Medical and health and wellness	80.00	-	187,846	-	-	-
RC Ownership, LLC. (100% shareholding through RAKxa Wellness US, LLC.)	Medical and health and wellness	100.00	-	190,093	-	-	-
Total							

All subsidiaries were incorporated and operate in Thailand, except Rx Wellness Blocker US, Inc., RAKxa Wellness US, LLC. and RC Ownership, LLC, which were incorporated and operate in USA. None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations.

	Separate financial statements	
<i>Movements for the year ended 31 December</i>	2022	2021
	<i>(in thousand Baht)</i>	
<i>Subsidiaries</i>		
At 1 January	5,604,068	4,903,818
Increase capital in Health and Wellness Village Co., Ltd.	-	50,250
Increase capital in S71 Property Co., Ltd.	-	650,000
Purchase of investment in Munkong Living Co., Ltd.	-	1,060,000
Disposal of investment in Munkong Living Co., Ltd.	-	(1,060,000)
Increase capital in Munkong Life Co., Ltd.	370,000	-
Disposal of investment in Munkong Life Co., Ltd.	(2,970,000)	-
Increase capital in MKH Assets Co., Ltd.	115,000	-
Decrease capital in MKH Assets Co., Ltd.	(11,500)	-
Disposal of investment in MKH Assets Co., Ltd.	(138,499)	-
Increase capital in Health and Wellness Village Co., Ltd.	192,250	-
Decrease capital in Health and Wellness Village Co., Ltd.	(46,800)	-
Disposal of investment in Health and Wellness Village Co., Ltd.	(283,200)	-
Increase capital in RX Wellness Co., Ltd.	4,500,000	-
At 31 December	7,331,319	5,604,068

Acquisitions

Subsidiaries

At the annual general meeting of Prospect REIT Management Co., Ltd., an indirect subsidiary (100% shareholding through Prospect Development Co., Ltd.), held on 25 March 2022, the shareholders approved to increase registered capital from Baht 10 million to Baht 16 million by issued 60,000 ordinary shares with a par value of Baht 100 per share. Prospect REIT Management Co., Ltd. registered its increased capital with the Ministry of Commerce on 25 April 2022 and Prospect REIT Management Co., Ltd. has fully-received the share capital for a consideration of Baht 6 million.

At the extraordinary general meeting of Munkong Life Co., Ltd., a subsidiary, held on 15 August 2022, the shareholders approved to increase its authorised share capital from Baht 2,600 million to Baht 2,970 million by issueing 3,700,000 new ordinary shares with a par value of Baht 100 per share. The subsidiary registered its increased capital with the Ministry of Commerce on 23 August 2022. The Company already paid the share capital totaling Baht 370 million or 100% of the increased share capital.

At the Board of Directors' meeting of MKH Assets Co., Ltd., a subsidiary, held on 26 July 2022, the Board of Directors of the subsidiary approved to call-up 65% of its par value of the share capital. The Company paid the share subscription amount to Baht 65 million. Subsequently, At the extraordinary general meeting of the subsidiary held on 15 August 2022, the shareholders approved to increase its authorised share capital from Baht 100 million to Baht 150 million by issueing 500,000 new ordinary shares with a par value of Baht 100 per share. The subsidiary registered its increased capital with the Ministry of Commerce on 23 August 2022. The Company already paid the share capital totaling Baht 50 million or 100% of the increased share capital.

At the Board of Directors' meeting of Health and Wellness Village Co., Ltd., a subsidiary, held on 26 July 2022, the Board of Directors of the subsidiary approved to call-up 41.5% of its par value of the share capital. The Company paid the share subscription amount to Baht 62.25 million. Subsequently, At the extraordinary general meeting of the subsidiary held on 15 August 2022, the shareholders approved to increase its authorised share capital from Baht 200 million to Baht 330 million by issuing 1,300,000 new ordinary shares with a par value of Baht 100 per share. The subsidiary registered its increased capital with the Ministry of Commerce on 23 August 2022. The Company already paid the share capital totaling Baht 130 million or 100% of the increased share capital.

At the Board of Directors' meeting of the Company held on 16 March 2022, the Board approved Rx Wellness Co., Ltd., a subsidiary, to establish an entity namely "Rx Wellness Blocker US, Inc." and invested in 100% ownership interest in total share capital. As of 19 September 2022, Rx Wellness Co., Ltd paid the share subscription totaling USD 4.4 million or Baht 150.27 million with 100% ownership interest as the Board of Directors approved.

Rx Wellness Blocker US, Inc. invested in RAKxa Wellness US, LLC with 80% ownership interest in total share capital. RAKxa Wellness US, LLC invested in RC Ownership, LLC with 100% ownership interest in total share capital. RC Ownership, LLC acquired and received the transfer of a property in Colorado, USA for operating resort and wellness business. Mainly property was acquired and received is property, plant and equipment. The transaction was accounted as an acquisition of assets rather than a business combination, given that substantially all of the fair value of the gross assets is concentrated in a group of similar identifiable assets.

<i>Identifiable assets acquired and liabilities assumed</i>	(in thousand Baht)
Cash and cash equivalents	48,108
Property, plant and equipment	454,577
Other non-current assets	3,460
Trade and other payables	(23,570)
Other current liabilities	(1,521)
Long-term borrowings	(293,208)
Net	187,846
Less non-controlling interests	(37,569)
Net - owners of the parent	150,277

Capital reduction

At the extraordinary general meeting of MKH Assets Co., Ltd., a subsidiary, held on 17 November 2022, the shareholders approved to decrease its authorised share capital amount to Baht 11.50 million by reducing 115,000 ordinary shares with a par value of Baht 100 per share. The subsidiary registered its decreased capital with the Ministry of Commerce on 20 December 2022.

At the extraordinary general meeting of Health and Wellness Village Co., Ltd., a subsidiary, held on 17 November 2022, the shareholders approved to decrease its authorised share capital amount to Baht 46.80 million by reducing 468,000 ordinary shares with a par value of Baht 100 per share. The subsidiary registered its decreased capital with the Ministry of Commerce on 20 December 2022.

Disposal of investment

At 23 December 2022, RX Wellness Co., Ltd., a subsidiary, increased its authorised share capital from Baht 100 million to Baht 4,600 million by issuing 45,000,000 new ordinary shares with a par value of Baht 100 per share amounting Baht 4,500 million. The subsidiary received consideration paid of Baht 1,108.30 million and shares of 3 direct subsidiaries of the Company which are MKH Assets Co., Ltd., at carrying amount of Baht 138.50 million, Health and Wellness Village Co.,Ltd. at carrying amount of Baht 283.20 million and Munkong Life Co., Ltd., at carrying amount of Baht 2,970 million. As result, the 3 subsidiaries have become indirect subsidiaries.

Increasing capital of an indirect subsidiary

At the extraordinary general meeting of Munkong Life Co., Ltd., an indirect subsidiary (100% shareholding through Rx Wellness Co., Ltd.), held on 23 December 2022, the shareholders approved to increase registered capital from Baht 2,970 million to Baht 4,020 million by issuing 10,500,000 ordinary shares with a par value of Baht 100 per share. Munkong Life Co., Ltd. registered its increased capital with the Ministry of Commerce on 26 December 2022 and Munkong Life Co., Ltd. has fully-received the share capital for a totaling of Baht 1,050 million.

10. Investment properties

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
(in thousand Baht)					
Cost					
At 1 January		5,457,843	5,723,279	69,122	39,842
Additions		1,341,419	1,181,685	-	-
Addition from acquisition of a subsidiary		-	129,200	-	-
Decrease from disposal of a subsidiary		-	(1,069,065)	-	-
Transfer from real estate development for sale	6	-	51,474	-	-
Transfer from (to) property, plant and equipment	11	28,275	(558,730)	28,275	29,280
At 31 December		<u>6,827,537</u>	<u>5,457,843</u>	<u>97,397</u>	<u>69,122</u>
Accumulated depreciation and impairment losses					
At 1 January		263,880	319,347	8,617	3,843
Depreciation charge for the year		119,683	141,288	2,950	1,816
Transfer from (to) property, plant and equipment	11	2,502	(78,552)	2,502	2,958
Decrease from disposal of a subsidiary		-	(118,203)	-	-
At 31 December		<u>386,065</u>	<u>263,880</u>	<u>14,069</u>	<u>8,617</u>
Net book value					
At 31 December		<u>6,441,472</u>	<u>5,193,963</u>	<u>83,328</u>	<u>60,505</u>

Capitalised borrowing costs relating to the acquisition of the land and the construction of the new buildings for the Group are amounted to Baht 29.73 million (2021: *Baht 6.07 million*), with a capitalisation rate of 4.00% - 4.83% (2021: 3.75% - 5.00%).

Information relating to leases are disclosed in note 12.

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2022	2021	2022	2021
<i>(in thousand Baht)</i>				
<i>Amounts recognised in profit or loss</i>				
Rental income	340,105	341,333	6,838	6,196

As at 31 December 2022, investment properties which have carrying amount of Baht 4,341.83 million (2021: *Baht 2,513.16 million*) were revalued by the management, at projected discounted cash flows. The appraised value was Baht 4,597.90 million (2021: *Baht 2,811.93 million*). In addition, another portion of investment properties amounting to Baht 2,099.64 million (2021: *Baht 2,680.80 million*) were in the process of construction. Management considered that the fair value was approximate to carrying amount. The fair value of investment property has been catagorised as a Level 3 fair value.

Valuation technique	Significant unobservable inputs
<i>Discounted cash flows;</i> The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods and occupancy rate. The expected net cash flows are discounted using discount rate.	<ul style="list-style-type: none"> ● Expected rental growth rate (5% - 10% every 3 years) ● Occupancy rate (between 76% - 100%) ● Discount rate (between 3% - 10%) ● Warehouse rental rates (160 - 380 Baht/square meter/month) ● Office rental rates (700 - 800 Baht/square meter/month) ● Land and office rental for services rates (100,000 - 500,000 Baht/month)

11. Property, plant and equipment

							Buildings and constructions	Machinery and equipment	Furniture, fixture and office equipment	Vehicle	Construction in progress	Total
Cost	Note	Land	Golf course				(in thousand Baht)					
At 1 January 2021		209,262	1,647,936	153,655	49,189	38,944	225,966	5,405,360				
Additions	-	-	370,844	11,861	14,647	95	68,766	466,213				
Transfers from (to)												
investment properties	10	116,815	-	441,975	-	(60)	-	-				
Disposals / transfers	-	-	34,834	(12,466)	(19,988)	180	(3,604)	(7,352)				558,730
Write-off	-	-	-	(2,200)	-	(45)	-	-				(8,396)
At 31 December 2021												(2,245)
And 1 January 2022		3,197,223	244,096	2,446,089	145,528	63,911	35,435	287,380	6,419,662			
Additions	144,645	-	9,223	9,482	5,626	23,505	653,884	846,365				
Transfers from real estate development for sale	6	142,063	-	-	-	-	-	-				142,063
Transfers to												
investment properties	10	-	-	(28,275)	-	-	-	-				(28,275)
Disposals / transfers	(610,794)	(244,096)	(151,906)	(74,237)	(1,186)	4,830	(77,542)	(1,154,931)				
Write-off	-	-	-	-	(974)	(1,149)	-					(2,123)
Effect of movements in exchange rates	(4,840)	-	-	-	-	-	(9,653)	(14,493)				
At 31 December 2022	2,868,297	-	2,275,131	80,773	67,377	62,621	854,069	6,208,268				

								Consolidated financial statements
Note	Land	Golf course	Buildings and constructions	Machinery and equipment	Furniture, fixture and office equipment	Vehicle	Construction in progress	Total
					(in thousand Baht)			
Accumulated depreciation								
At 1 January 2021	-	157,116	137,693	76,912	20,720	18,754	-	411,195
Depreciation charge for the year	-	7,175	109,476	22,489	10,399	4,736	-	154,275
Transfers from (to) investment properties	10	-	78,599	-	(47)	-	-	78,552
Disposals / transfers	-	34,834	(11,646)	(26,356)	(1,103)	(3,299)	-	(7,570)
Write-off	-	-	(2,200)	-	26	-	-	(2,174)
At 31 December 2021								
And 1 January 2022	-	199,125	311,922	73,045	29,995	20,191	-	634,278
Depreciation charge for the year	-	6,840	120,954	22,178	10,995	4,336	-	165,303
Transfers to	10	-	-	(2,502)	-	-	-	(2,502)
investment properties	-	-	(205,965)	(63,406)	(63,899)	(4,239)	3,923	(333,586)
Disposals / transfers	-	-	-	-	-	(771)	(1,149)	(1,920)
Write-off	-	-	-	366,968	31,324	35,980	27,301	461,573
At 31 December 2022								
Net book value								
At 31 December 2021								
Owned assets	3,197,223	44,971	1,530,509	72,483	33,916	7,334	287,380	5,173,816
Right-of-use assets	-	-	603,658	-	-	7,910	-	611,568
At 31 December 2022								
Owned assets	3,197,223	44,971	2,134,167	72,483	33,916	15,244	287,380	5,785,384
Right-of-use assets	2,868,297	-	1,343,057	49,449	31,397	32,604	854,069	5,178,873
			565,106	-	-	2,716	-	567,822
			1,908,163	49,449	31,397	35,320	854,069	5,746,695

							Separate financial statements		
	Note	Land	Golf course	Buildings and constructions	Machinery and equipment	Furniture, fixture and office equipment	Vehicle	Construction in progress	Total
Cost									
At 1 January 2021				854,940	91,350	32,677	24,289	152	1,725,558
Additions	-	-	209,262	940	904	4,603	42	34	6,523
Transfers to investment properties	-	-	-	(29,280)	-	-	-	-	(29,280)
Disposals / transfers	-	-	34,834	(16,255)	(21,252)	667	(3,603)	(49)	(5,658)
Write-off	-	-	-	-	-	(43)	-	-	(43)
At 31 December 2021									
And 1 January 2022									
Additions	-	-	244,096	810,345	71,002	37,904	20,728	137	1,697,100
Transfers from real estate development for sale	6	142,063	-	-	-	-	-	-	142,063
Transfers to investment properties	10	(610,794)	(244,096)	(28,275)	-	-	-	-	(28,275)
Disposals / transfers	-	-	-	(225,992)	(65,604)	(4,418)	(3,615)	(137)	(1,154,656)
Write-off	-	-	-	-	-	(7)	-	-	(7)
At 31 December 2022									
			44,157	557,569	8,446	34,101	17,113	-	661,386
<i>Accumulated depreciation</i>									
At 1 January 2021	-		157,115	125,786	76,914	16,704	17,242	-	393,761
Depreciation charge for the year	-		7,175	33,516	8,387	5,991	2,106	-	57,175
Transfers to investment properties	10	-	-	(2,958)	-	-	-	-	(2,958)
Disposals / transfers	-		34,834	(7,463)	(28,905)	(81)	(3,299)	-	(4,914)
Write-off	-	-	-	-	-	26	-	-	26
At 31 December 2021									
And 1 January 2022									
Depreciation charge for the year	10	-	199,124	148,881	56,396	22,640	16,049	-	443,090
Transfers to investment properties	-		6,841	32,096	7,473	5,133	1,648	-	53,191
Disposals / transfers	-		-	(2,502)	-	-	-	-	(2,502)
Write-off	-		(205,965)	(63,406)	(56,401)	(4,039)	(3,544)	-	(333,355)
At 31 December 2022									

							Separate financial statements	
	Land	Golf course	Buildings and constructions	Machinery and equipment	Furniture, fixture and office equipment	Vehicle	Construction in progress	Total
<i>Net book value</i>								
At 31 December 2021								
Owned assets	512,888	44,972	419,955	14,606	15,264	374	137	1,008,196
Right-of-use assets	-	-	241,509	-	-	4,305	-	245,814
	512,888	44,972	661,464	14,606	15,264	4,679	137	1,254,010
At 31 December 2022								
Owned assets	44,157	-	222,172	978	10,374	1,975	-	279,656
Right-of-use assets	-	-	220,328	-	-	985	-	221,313
	44,157	-	442,500	978	10,374	2,960	-	500,969

The gross amount of the Group's and the Company's fully depreciated property and equipment that was still in use as at 31 December 2022 amounted to Baht 80.51 million and Baht 80.48 million, respectively (2021: Baht 143.77 million and Baht 142.37 million, respectively).

During the year 2022, the Group capitalised borrowing costs to property, plant and equipment amounting to Baht 21.70 million (2021: Baht 27.36 million).

Information relating to leases are disclosed in note 12.

12. Lease Agreements

As a lessee

The Company

- 12.1 The Company entered into a land lease agreement with a company for a period of 30 years from 1 November 2018 to 31 October 2048. The Company agreed to pay land sublease compensation for the whole period to the lessor totalling Baht 420.8 million. During the years 2018 and 2019, the Company paid the land sublease compensation amounting to Baht 125.4 million. Under the land sublease agreement, the ownership of building will be transferred to the lessor at the maturity date. Subsequently, at the Board of Directors' meeting of the Company, held on 20 August 2019, the Board approved to amend the land lease agreement with the lessor by extension a period of 30 years to 35 years 6 months from 1 November 2018 to 30 April 2054. The Company paid compensation for the amendment of land lease agreement amounting to Baht 30 million.

Subsidiaries

- 12.2 On 18 August 2010, a company ("lessor") entered into a land sublease agreement with a subsidiary to lease land from 18 August 2010 to 31 December 2038. The subsidiary agreed to pay a total of land sublease compensation to the lessor on the land sublease registered date. The Group recognised the leasehold right at fair value on the acquisition date in 2015 amounting to Baht 602.66 million.

On that date, the lessor entered into another 2 land sublease agreements with the subsidiary to lease land from 18 August 2010 to 8 January 2040, and from 18 August 2010 to 25 December 2039. The subsidiary agreed to pay a total of land sublease compensation to the lessor on the land sublease registered date. The Group recognised the leasehold right at fair value on the acquisition date in 2015 amounting to Baht 534.12 million. Under the sublease agreements, ownership of building on leasehold land will be transferred to land owner after the completion of construction and the Group records construction costs as part of leasehold right of Baht 1,393.27 million.

On 18 August 2020, the sublessor entered into an amendment of land sublease agreement with a subsidiary. The subsidiary agreed to return partially land sublease of Bangkok Free Trade Zone project which is included in investment properties to the sublessor with the carrying amount of Baht 1,689.75 million. The sublessor agreed to pay compensation to the subsidiary as a result of the amendment of land sublease agreement to terminate sublease area. The subsidiary received compensation amounting to Baht 1,953.04 million.

- 12.3 On 1 August 2018, a company ("lessor") entered into a land sublease agreement with a subsidiary to lease land from 1 August 2018 to 31 July 2041. The subsidiary agreed to pay land sublease compensation for the whole period totalling Baht 3.93 million. Under the land sublease agreement, the ownership of building will be transferred to the lessor at the maturity date.

- 12.4 On 19 December 2018, a temple ("lessor") entered into a right of use land agreement to develop car park building with a subsidiary for a period of 30 years after the date of completion of building. The subsidiary

agreed to pay for the building construction to compensate the right of use the land. Under right of use agreement, the ownership of building will be transferred to the lessor at the maturity date.

- 12.5 On 16 May 2020, the Group entered into land lease agreement for 30 years to develop warehouse and factory for lease by paying annual rental fee as specified in the agreement. The agreement will be ended on 15 May 2050. The Group paid the land lease compensation at the agreement date of Baht 52.72 million and recognised right-of-use assets in investment properties.
- 12.6 On 15 August 2021, an indirect subsidiary entered into a land and construction lease agreement with a non-related party ("a lessor") to operate hotel and health center. Subsequently, on 28 October 2021, the subsidiary entered into an amendment of land and construction lease agreement with the lessor. The lease agreement has the period of 21 years from 1 November 2021 to 31 October 2042, and the subsidiary agreed to pay compensation as specified in the agreement. The Company made a guarantee deposit of Bath 30 million at the registered date of land and construction lease. At the maturity date of lease agreement, the lessor promises to give an option to the lessee to extend the lease for period of 21 years from 1 November 2042 to 31 October 2063 with rental fee as specified in the agreement. At the end of lease agreement, the subsidiary has to move assets and attachments out of land and construction and return the land and construction under the lease as normal condition to the lessor. The Group recorded right-of-use assets under property, plant and equipment of Baht 365.05 million.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>(in thousand Baht)</i>				
<i>Amount recognised in profit or loss</i>				
Repair and maintenance expense:				
- Property that generate rental income	6,601	6,569	-	-
Expenses relating to leases of low-value assets and short-term leases	4,321	4,048	1,976	2,474

In 2022, the total cash outflow from leases of the Group and the Company Baht 35.35 million and Baht 10 million, respectively (2021: Baht 15.72 million and Baht 9.9 million, respectively).

As a lessor

- 12.7 The Group entered into lease agreements to lease office rental and warehouse to other parties ("lessees") for periods starting from 1 to 4 years ending December 2024. The lessees agreed to pay monthly compensation as specified in the agreement.
- 12.8 On 7 May 2020, the Group entered into land and constructions lease agreement with a company ("lessee") for a period of 8 years after the date of grand opening starting from 1 December 2020 to 30 November 2028. The lessee agreed to pay monthly compensation as specified in the agreement and additional compensation at percentage of incremental of gross profit from the lessee's operations as specified in the agreement.

13. Intangible assets

	Consolidated financial statements	Separate financial statements
	Software licenses	Software licenses
	(in thousand Baht)	
<i>Cost</i>		
At 1 January 2021	29,273	22,830
Additions	8,422	3,339
Disposals	<u>(16)</u>	-
At 31 December 2021 and 1 January 2022	37,679	26,169
Additions	19,290	945
Disposals	<u>(1,671)</u>	<u>(1,671)</u>
At 31 December 2022	<u>55,298</u>	<u>25,443</u>
<i>Accumulated amortisation</i>		
At 1 January 2021	11,151	10,413
Amortisation charge for the year	5,455	4,115
Disposals	<u>(1)</u>	-
At 31 December 2021 and 1 January 2022	16,605	14,528
Amortisation charge for the year	6,508	4,784
Disposals	<u>(1,102)</u>	<u>(1,102)</u>
At 31 December 2022	<u>22,011</u>	<u>18,210</u>
<i>Net book value</i>		
At 31 December 2021	<u>21,074</u>	<u>11,641</u>
At 31 December 2022	<u>33,287</u>	<u>7,233</u>

14. Interest-bearing liabilities

	Consolidated financial statements						
	Note	Secured	Unsecured	Total	2021		
					Secured	Unsecured	Total
(in thousand Baht)							
Short-term borrowings from financial institutions	-		694,689	694,689	-	1,142,137	1,142,137
Short-term debentures	-		1,206,005	1,206,005	-	1,701,986	1,701,986
Short-term loans from related parties	4	-	116,986	116,986	-	-	-
Short-term loans from other parties	-	-	-	-	-	227,473	227,473
Long-term borrowings from financial institution	3,121,398	-	3,121,398	2,201,052	-	2,201,052	2,201,052
Long-term borrowings from other parties	-	80,000	80,000	-	-	-	-
Long-term debentures	-	6,405,625	6,405,625	-	4,873,233	4,873,233	4,873,233
Lease liabilities	4,423	699,314	703,737	3,553	696,802	700,355	700,355
Total interest-bearing liabilities		<u>3,125,821</u>	<u>9,202,619</u>	<u>12,328,440</u>	<u>2,204,605</u>	<u>8,641,631</u>	<u>10,846,236</u>

			Separate financial statements			
			2022		2021	
	Note	Secured	Unsecured	Total	Secured	Unsecured
(in thousand Baht)						
Short-term borrowings						
from financial institutions		-	644,689	644,689	-	1,092,137
Short-term debentures		-	1,206,005	1,206,005	-	1,701,986
Short-term loans from related parties	4	-	116,986	116,986	-	20,000
Short-term loans from other parties		-	-	-	-	69,396
Long-term borrowings						
from financial institutions		232,456	-	232,456	790,086	-
Long-term loans						
from others						
parties		-	80,000	80,000	-	-
Long-term debentures		-	5,512,561	5,512,561	-	4,056,652
Leases liabilities		1,751	154,656	156,407	-	157,721
Total interest-bearing liabilities		<u>234,207</u>	<u>7,714,897</u>	<u>7,949,104</u>	<u>790,086</u>	<u>7,097,892</u>
						<u>7,887,978</u>

As at 31 December 2022, the Group and the Company had unutilised credit facilities from local financial institutions totaling Baht 2,240.19 million and Baht 1,757.52 million, respectively (2021: Baht 4,463.28 million and Baht 2,569.50 million, respectively).

The above borrowings from financial institutions are collateralised by the assets pledged or mortgaged (see note 7).

Long-term loans from financial institutions - secured

The Company

As at 31 December 2022, the Company had entered into loan agreements with local financial institutions with credit facilities totalling Baht 3,444.90 million at MLR-1.50% to MLR-2.50% interest rate per annum. The Company mortgaged investment in an associate and a part of land and construction as the loan collateral (see note 7).

Subsidiaries

As at 31 December 2022, the subsidiaries had entered into loan agreements with local financial institutions with credit facilities totalling Baht 3,473 million at MLR-1.00% to MLR-1.50% and MLR+0.20% interest rate per annum. The subsidiaries mortgaged land and construction, land leasehold right and part of construction on land sublease agreement as the loan collateral (see note 7).

As at 31 December 2022, an indirect subsidiary in USA entered into a loan agreement with an oversea financial institution amounting to USD 7.7 million at 4.75% interest rate per annum. The indirect subsidiary mortgaged land and construction and savings account at bank as the loan collateral. The loan as mentioned will be matured on 22 March 2025.

The Company and the subsidiaries have to comply with certain conditions under right and duty of borrowers such as the maintenance of Debt to Equity ratio and Debt Service Coverage ratio (DSCR).

Long-term loans from other parties – unsecured

On 31 December 2022, the Company entered into loan agreements with other parties totaling Baht 80 million at 5.60% interest rate per annum. The loans will be matured on 23 February 2024.

Debentures

Unsecured debentures	Number (thousand units)	Par value per unit (in Baht)	Total value (in million Baht)	Issue date	Term	Maturity date	Coupon rate (% per annum)
Short-term debentures							
The Company							
No. 3/2022 (repayment interest on maturity date)	309.1	1,000	309.1	13 May 2022	270 days	2023	3.90
No. 4/2022 (repayment interest every 3 months)	700	1,000	700	8 July 2022	270 days	2023	4.10
No. 5/2022 (repayment interest on maturity date)	200	1,000	200	30 November 2022	268 days	2023	4.20
Total			1,209.1				
Long-term debentures							
The Company							
No. 2/2019 (repayment interest every 3 months)	1,565	1,000	1,565	12 December 2019	months 19 days	1 December 2023	5.75
No. 1/2020 Set.2 (repayment interest every 3 months)	451.5	1,000	451.5	28 August 2020	months	2023	5.60
No. 1/2021 (repayment interest every 3 months)	500	1,000	500	29 April 2021	2 years	2023	5.25
No. 2/2021 (repayment interest every 3 months)	636.4	1,000	636.4	28 May 2021	2 years 10 months	28 March 2024	5.60
No. 1/2022 (repayment interest every 3 months)	500	1,000	500	18 March 2022	2 years 6 months	September 2024	5.60

Unsecured debentures	Number (thousand units)	Par value per unit (in Baht)	Total value (in million Baht)	Issue date	Term	Maturity date	Coupon rate (% per annum)
No. 2/2022							
(repayment interest every 3 months)	700	1,000	700	16 June 2022	3 years	16 June 2025	6.00
No. 3/2022							
(repayment interest every 3 months)	1,189.3	1,000	<u>1,189.3</u> <u>5,542.2</u>	15 September 2022	2 years 6 months	15 March 2025	5.85
Subsidiary							
No. 1/2021 (repayment interest every 3 months)	300	1,000	300	14 May 2021	2 years	14 May 2023	6.25
No. 1/2022 (repayment interest every 3 months)	600	1,000	<u>600</u> <u>900</u>	19 October 2022	2 years	19 October 2024	5.60
Total			<u><u>6,442.2</u></u>				

At the annual general meeting of the shareholders of the Company held on 26 April 2022, the shareholders approved to increase credit limit and an outstanding value for issuance and offering of debenture from not exceeding Baht 6,000 million to be not exceeding Baht 8,000 million. Preliminary details of debentures that the Company wishes to issue and offer are as the board of directors propose.

At the Board of Directors' meeting of Prospect Development Co., Ltd., a subsidiary, held on 15 August 2022, the Board approved issuance and offering of debenture with credit limit and an outstanding value not exceeding Baht 2,000 million. The issuance and offering of debenture has preliminary details as the board of directors propose.

Movements for the year ended 31 December of debentures were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>(in thousand Baht)</i>				
<i>Short-term debentures</i>				
As at 1 January	1,705,600	650,000	1,705,600	650,000
Issued	2,159,100	1,705,600	2,159,100	1,705,600
Repayment	<u>(2,655,600)</u>	<u>(650,000)</u>	<u>(2,655,600)</u>	<u>(650,000)</u>
As at 31 December	<u>1,209,100</u>	<u>1,705,600</u>	<u>1,209,100</u>	<u>1,705,600</u>
<i>Long-term debentures</i>				
As at 1 January	4,890,700	5,175,300	4,070,700	4,518,300
Issued	2,989,300	1,436,400	2,389,300	1,136,400
Repayment	<u>(1,437,800)</u>	<u>(1,721,000)</u>	<u>(917,800)</u>	<u>(1,584,000)</u>
As at 31 December	<u>6,442,200</u>	<u>4,890,700</u>	<u>5,542,200</u>	<u>4,070,700</u>

	Consolidated financial statements	Separate financial statements
31 December 2022		
<i>(in thousand Baht)</i>		
Short-term debentures	1,209,100	1,209,100
Less deferred expense	(3,095)	(3,095)
Unsecured short-term debentures	1,206,005	1,206,005
Long-term debentures	6,442,200	5,542,200
Less deferred expenses	(36,575)	(29,639)
	6,405,625	5,512,561
Less current portion of long-term debentures	(2,812,122)	(2,512,711)
Unsecured long-term debentures	3,593,503	2,999,850

The Company and a subsidiary have to comply with certain conditions under right and duty of debenture issuer such as the maintenance of Debt to Equity ratios, dividend payments.

Finance lease liabilities

The Group has hire-purchase agreements to purchase motor vehicles from local leasing companies with a term of repayment in 4-5 years, and repaid in monthly installments, with certain conditions and restrictions as specified in the hire-purchase agreements.

15. Other current liabilities

	Consolidated financial statements	Separate financial statements		
	2022	2021	2022	2021
<i>(in thousand Baht)</i>				
Retentions	166,165	150,528	27,078	42,517
Accrued administrative expenses	46,171	66,491	13,544	10,572
Others	164,546	134,827	120,281	89,743
Total	376,882	351,846	160,903	142,832

16. Non-current provisions for employee benefits

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plan exposes the Group to actuarial risks, such as longevity risk and interest rate risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
At 1 January	67,495	92,496	62,100	84,580
Included in profit or loss				
Current service costs and interest	8,112	11,192	5,544	7,466
Curtailment gain	(5,527)	(16,724)	(5,820)	(16,724)
	<u>2,585</u>	<u>(5,532)</u>	<u>(276)</u>	<u>(9,258)</u>
Included in other comprehensive income				
Actuarial gain				
-Demographic assumptions	(1,856)	(5,356)	(994)	(3,785)
-Financial assumptions	(2,998)	(6,909)	(2,387)	(5,851)
-Experience adjustment	<u>2,403</u>	<u>(2,429)</u>	<u>(1,626)</u>	<u>1,189</u>
	<u>(2,451)</u>	<u>(14,694)</u>	<u>(5,007)</u>	<u>(8,447)</u>
Others				
Benefits paid	<u>(5,317)</u>	<u>(4,775)</u>	<u>(5,317)</u>	<u>(4,775)</u>
At 31 December	<u>62,312</u>	<u>67,495</u>	<u>51,500</u>	<u>62,100</u>

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(%)			
Discount rate	2.69	2.07	2.69	2.07
Future salary growth	4.00 - 6.00	4.0 - 6.00	4.00 - 6.00	4.00 - 6.00
Employee turnover rate	0.00 - 25.00	0.00 - 22.00	0.00 - 25.00	0.00 - 22.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligations was 9.7 years (2021: 10.7 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
<i>(in thousand Baht)</i>				
At 31 December 2022				
Discount rate (1% movement)	(3,901)	4,357	(3,079)	3,422
Future salary growth (1% movement)	4,223	(3,856)	3,311	(3,038)
Employee turnover rate (20% movement)	(2,241)	2,704	(1,169)	1,378
At 31 December 2021				
Discount rate (1% movement)	(4,620)	5,120	(4,094)	4,510
Future salary growth (1% movement)	5,008	(4,535)	4,412	(4,014)
Employee turnover rate (20% movement)	(2,229)	2,669	(1,583)	1,859

17. Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>(in thousand Baht)</i>				
Contractual deposits from customers				
Accrued for public utilities for establishing legal entities	144,084	110,373	-	-
Others	46,438	51,473	45,858	50,893
Total	99,011	18,821	94,269	14,078
	<u>289,533</u>	<u>180,667</u>	<u>140,127</u>	<u>64,971</u>

On 1 December 2022, the Group cancelled management agreement to operate and manage Health and Wellness Center with a non-related party. The Group agreed to pay compensation from early termination totaling Baht 100 million. In 2022, the Company already paid totaling Baht 10 million, the remaining will be due within one year totaling Baht 10 million and will be due over one year totaling Baht 80 million.

18. Share capital

At the annual general meeting of the shareholders of the Company held on 25 April 2019, the shareholders approved the issuance and offering of the ordinary share-purchase warrants to the directors, executives and employees of the Company and its subsidiaries No.1 (MK-WA) of not exceeding 26,000,000 units as the details as following:

Grant date	17 June 2019
Number of offered warrants	26,000,000 units
Exercise price	4 Baht/share
Term of warrants	5 years from the grant date
Exercise rate	1 warrant per 1 ordinary share
Number of reserved shares	26,000,000 shares
Expired date of warrants	16 June 2024

Fair value measurement

The Group measured approximate fair value of the options granted through the plan by using the binomial model. The weighted average fair value at the grant date was from Baht 0.18 - Baht 0.22 per unit. The key assumptions were as follows:

Share price at the grant date	3.36 Baht/share
Expected volatility	24% per quarter
Life of warrants	3.12 - 4.62 years
Expected dividend	6% per annum
Risk-free interest rate	1.69% - 1.89% per annum depend on period of time

The Group and the Company recognised share-based payment expense of Baht 0.50 million in the consolidated and separate financial statements for the year ended 31 December 2022 (2021: Baht 1.01 million).

During the year 2022, there was no change in the number of outstanding warrants for the year ended 31 December 2022 because the average market price of ordinary shares during the year did not exceed the exercise price of the warrants.

Share premium

Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

19. Legal Reserve

Section 116 of the Public Limited Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

20. Segment information and disaggregation of revenue

Management determined that the Group has five reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Real estate
- Segment 2 Rental warehouse, factory and others
- Segment 3 Golf services
- Segment 4 Property management
- Segment 5 Health and wellness center

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's chief operating decision maker (CODM). Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Consolidated financial statements									
For the year ended 31 December		Real estate 2022		2021		Golf services 2022		Management 2021	
Rental warehouse, factory and others 2022	Rental warehouse, factory and others 2021	Golf services 2022	Golf services 2021	Management 2022	Management 2021	Others 2022	Others 2021	Eliminations 2022	Eliminations 2021
<i>(in thousand Baht)</i>									
Reportable segments									
Revenue from external customers	1,790,543	2,481,142	340,105	341,333	125,202	91,728	118,261	91,042	57,318
Inter-segment revenue	-	-	-	-	-	-	-	-	-
Total revenues	1,790,543	2,481,142	31,472	341,333	125,202	91,728	22,835	141,096	110,973
Timing of revenue									
Recognition									
At a point in time	1,790,543	2,481,142	-	-	125,202	91,728	-	91,042	57,318
Over time	-	-	340,105	341,333	-	-	118,261	-	25,821
Total revenues	1,790,543	2,481,142	340,105	341,333	125,202	91,728	118,261	91,042	57,318
Segment profit (loss) before income tax	(105,321)	(361,607)	56,667	278,936	469,911	2,700	46,812	31,137	(494,772)
Share of profit of joint venture and associates accounted for using equity method	-	-	-	-	-	-	-	-	-
Loss before income tax	-	-	-	-	-	-	-	-	-
Segment assets									
as at 31 December	6,181,608	6,596,882	8,028,324	6,504,677	-	729,971	353	449	4,860,039
Segment liabilities									
as at 31 December	6,409,638	6,323,101	5,768,208	4,327,888	-	-	2,449	2,094	1,217,650

		Separate financial statements									
		Rental warehouse, factory and others		Golf services		Health and wellness center		Others		Eliminations	Total
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<i>For the year ended 31 December</i>											
<i>(in thousand Baht)</i>											
<i>Timing of revenue recognition</i>											
<i>At a point in time</i>											
Over time	-	1,784,934	2,316,148	-	12,665	9,526	125,202	91,728	-	-	12,665
Total revenues		<u>1,784,934</u>	<u>2,316,148</u>		<u>12,665</u>	<u>9,526</u>	<u>125,202</u>	<u>91,728</u>			<u>1,922,801</u>
											<u>2,417,402</u>

Reconciliations of reportable segment revenue and loss before tax

	Consolidated financial statements			
	Revenues		Loss before tax	
	2022	2021	2022	2021
<i>(in thousand Baht)</i>				
Reportable segments	2,431,429	3,031,066	(21,904)	(273,101)
Elimination of discontinued operation	(125,202)	(91,728)	(469,911)	(2,700)
Total	2,306,227	2,939,338	(491,815)	(275,801)

(a) Geographical segments

The Group is mainly managed and operates principally in Thailand. There are no revenues derived from foreign countries. Non-current assets located in foreign countries i.e. USA amounting to Baht 421.42 million (2021: Nil).

(b) Major customer

Revenue for the year 2022 from the sale of land in development project from a customer of the Group's segment 1 represents approximately Baht 470.23 million (2021: Baht 885.25 million) of the Group's total revenue.

(c) Revenue expected to be recognised in the future related to performance obligations that are unsatisfied

At 31 December 2022, the Group has revenue expected to be recognised in the future arising from performance obligations that are unsatisfied amounting to Baht 10.72 million (2021: Baht 58.83 million). The Group will recognise this revenue when a customer obtains control of the real estate development for sale, which is expected to occur within 12 months.

21. Discontinued operation

A discontinued operation is a component of the Group's business that has been disposed of. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

(a) Golf services segment

In December 2022, the Group sold golf services segment. This segment was not a discontinued operation or classified as held for sale as at 31 December 2021 and the comparative statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

	Consolidated/Separate financial statements			
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Operating results of discontinued operation</i>				
<i>Year ended 31 December</i>				
Revenue	125,202	91,728		
Expenses	(106,662)	(89,028)		
Results from operating activities	18,540	2,700		
Gain on sale of discontinued operation	451,371	-		
Profit for the year	469,911	2,700		
<i>Cash flows from discontinued operation</i>				
<i>Year ended 31 December</i>				
Net cash from operating activities	18,540	2,700		
Net cash from investing activities	451,371	-		
Net cash flows from discontinued operation	469,911	2,700		
<i>Effect of disposal on the financial position</i>				
Property, plant and equipment	821,893			
Net assets and liabilities at disposal date	821,893			
Consideration received, satisfied in cash	1,400,000			
Cash and cash equivalents disposed of	(126,736)			
Net cash inflows	451,371			

22. Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Employee benefit expenses	396,671	365,172	153,532	187,111
Depreciation and amortisation	275,367	295,205	60,925	63,105
Promotion and public relation expenses	82,580	92,005	51,903	65,047
Specific business tax	61,117	105,198	60,929	77,509
Transfer expenses	7,678	18,652	7,648	14,803
Cleaning and security expenses	22,446	26,060	15,768	22,325
Lease-related expenses	4,321	4,048	1,976	2,474

Defined contribution plans

The defined contribution plan comprises provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

23. Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		(in thousand Baht)			
<i>Interest expense:</i>					
Related parties	4	8,695	-	9,245	626
Financial institutions and other loans		615,283	521,685	428,392	374,304
Total interest expense		623,978	521,685	437,637	374,930
Other finance costs		36,623	27,826	31,238	22,054
		660,601	549,511	468,875	396,984
<i>Less: amounts included in the cost of qualifying assets:</i>					
- Real estate development for sale	6	10,331	38,619	10,331	38,619
- Investment properties	10	29,727	6,065	-	-
- Property, plant and equipment	11	21,697	27,362	-	-
		61,755	72,046	10,331	38,619
Net		598,846	477,465	458,544	358,365

24. Income tax expense

	Consolidated financial statements			
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Income tax recognised in profit or loss</i>				
Current tax expense				
Current year	(51,820)	2,917	32,349	-
Under (over) provided in prior years	798	(2,434)	-	-
	(51,022)	483	32,349	-
Deferred tax expense				
Movements in temporary differences	71,743	(88,273)	54,874	(36,172)
Tax (income) expense	20,721	(87,790)	87,223	(36,172)

	Consolidated financial statements					
	2022			2021		
	Before tax	Tax Expense	Net of tax	Before tax	Tax Expense	Net of tax
<i>(in thousand Baht)</i>						
<i>Income tax</i>						
<i>Recognised in other comprehensive income</i>						
Defined benefit plan						
actuarial gains	(2,451)	490	(1,961)	(14,695)	2,939	(11,756)
Total	(2,451)	490	(1,961)	(14,695)	2,939	(11,756)
 <i>Separate financial statements</i>						
	2022			2021		
	Before tax	Tax Expense	Net of tax	Before tax	Tax Expense	Net of tax
<i>(in thousand Baht)</i>						
<i>Income tax</i>						
<i>Recognised in other comprehensive income</i>						
Defined benefit plan						
actuarial gains	(5,007)	1,001	(4,006)	(8,446)	1,689	(6,757)
Total	(5,007)	1,001	(4,006)	(8,446)	1,689	(6,757)
 <i>Reconciliation of effective tax rate</i>						
	Consolidated financial statements			Separate financial statements		
	2022		2021		2022	
	Rate (%)	(in thousan d Baht)	Rate (%)	(in thousan d Baht)	Rate (%)	(in thousand Baht)
Loss before income tax expense		(21,904)		(273,101)		470,371
Income tax using the Thai corporation tax rate	20	(4,381)	20	(54,620)	20	94,074
Income not subject to tax		(13)		-		20
Expenses with additional deduction for tax purposes		(14,871)		(21,419)		(14,676)
Expenses not deductible for tax purposes		18,043		6,825		7,821
Recognition of previously unrecognised tax losses		(3,053)		(2,057)		1,971
Current year losses for which no deferred tax asset was recognised		25,158		2,791		4
Elimination in consolidation		(960)		(16,876)		-
Under (over) provided in prior years		798		(2,434)		-
Total	10	20,721	32	(87,790)	18	87,223
						(36,172)

Deferred tax	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
At 31 December	2022	2021	2022	2021	2022	2021	2022	2021
(in thousand Baht)								
Total	199,013	170,861	(14,640)	(9,895)	15,628	71,504	-	-
Set off of tax	(9,256)	(9,895)	9,256	9,895	-	-	-	-
Net deferred tax assets (liabilities)	<u>189,757</u>	<u>160,966</u>	<u>(5,384)</u>	<u>-</u>	<u>15,628</u>	<u>71,504</u>	<u>-</u>	<u>-</u>

Deferred tax	Consolidated financial statements				
	Credited (Charged) to				
	At 1 January	Profit or loss	comprehensive income	Equity	At 31 December
(in thousand Baht)					
2022					
<i>Deferred tax assets</i>					
Non-current provisions for					
employee benefits	13,499	(547)	(490)	-	12,462
Right-of-use assets	751	2,136	-	-	2,887
Financial assets measured at					
FVOCI	6,403	-	-	(6,403)	-
Loss carry forward	144,165	32,662	-	-	176,827
Others	6,043	794	-	-	6,837
Total	<u>170,861</u>	<u>35,045</u>	<u>(490)</u>	<u>(6,403)</u>	<u>199,013</u>
<i>Deferred tax liabilities</i>					
Investment properties	(8,250)	416	-	-	(7,834)
Lease liabilities	(1,645)	(5,161)	-	-	(6,806)
Total	<u>(9,895)</u>	<u>(4,745)</u>	<u>-</u>	<u>-</u>	<u>(14,640)</u>
Net	<u>160,966</u>	<u>30,300</u>	<u>(490)</u>	<u>(6,403)</u>	<u>184,373</u>

<i>Deferred tax</i>	Consolidated financial statements							
	Credited (Charged) to							
	At 1 January	Profit or loss	Other comprehensive income	At 31 December				
<i>(in thousand Baht)</i>								
2021								
<i>Deferred tax assets</i>								
Non-current provisions for employee benefits	18,354	(1,916)	(2,939)	13,499				
Right-of-use assets	2,547	(1,796)	-	751				
Financial assets measured at FVOCI	6,403	-	-	6,403				
Loss carry forward	54,004	90,161	-	144,165				
Others	2,215	3,828	-	6,043				
Total	83,523	90,277	(2,939)	170,861				
<i>Deferred tax liabilities</i>								
Investment properties	(7,717)	(533)	-	(8,250)				
Lease liabilities	(174)	(1,471)	-	(1,645)				
Total	(7,891)	(2,004)	-	(9,895)				
Net	75,632	88,273	(2,939)	160,966				
Separate financial statements								
<i>At 1 January</i>	Credited (Charged) to							
	At 1 January	Profit or loss	Other comprehensive income	At 31 December				
	<i>(in thousand Baht)</i>							
2022								
<i>Deferred tax assets</i>								
Non-current provisions for employee benefits	12,420	(1,119)	(1,001)	10,300				
Accrued for public utilities for establishing legal entities	2,518	695	-	3,213				
Loss carry forward	54,956	(54,956)	-	-				
Right-of-use assets	751	406	-	1,157				
Others	859	99	-	958				
Total	71,504	(54,875)	(1,001)	15,628				
2021								
<i>Deferred tax assets</i>								
Non-current provisions for employee benefits	16,916	(2,807)	(1,689)	12,420				
Accrued for public utilities for establishing legal entities	1,054	1,464	-	2,518				
Loss carry forward	17,062	37,894	-	54,956				
Right-of-use assets	346	405	-	751				
Others	1,643	(784)	-	859				
Total	37,021	36,172	(1,689)	71,504				

The tax losses expire in 2027. The deductible temporary difference do not expire under current tax legislation of Baht 125.79 million. The Group had not recognised these items as deferred tax assets because it is not probable that the Group will have future taxable profit which the Group can utilise the benefits therefrom.

25. Basic earning (loss) per share

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
(in thousand Baht / thousand shares)				
Loss from continuing operations attributable to ordinary shareholders of the Company (basic)	(505,745)	(188,012)	(86,763)	(144,542)
Number of ordinary shares outstanding	<u>1,091,205</u>	<u>1,091,205</u>	<u>1,091,205</u>	<u>1,091,205</u>
Basic loss per share from continuing operations (in Baht)	<u>(0.4635)</u>	<u>(0.1723)</u>	<u>(0.0795)</u>	<u>(0.1325)</u>
Profit from discontinued operation attributable to ordinary shareholders of the Company (basic)	<u>469,911</u>	<u>2,700</u>	<u>469,911</u>	<u>2,700</u>
Number of ordinary shares outstanding	<u>1,091,205</u>	<u>1,091,205</u>	<u>1,091,205</u>	<u>1,091,205</u>
Basic earning per share from discontinued operation (in Baht)	<u>0.4306</u>	<u>0.0025</u>	<u>0.4306</u>	<u>0.0025</u>

The warrants during the year ended 31 December 2022 and 2021 have no dilutive effect because the average market price of ordinary shares during the year did not exceed the exercise price of the warrants.

26. Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities at amortised cost if the carrying amount is a reasonable approximation of fair value.

Consolidated financial statements						Fair value	
	Carrying amount	Financial instruments measured at amortised cost	Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total
At 31 December 2022							
Financial instruments measured at FVTPL	8,495	-	8,495	-	-	8,495	8,495
<i>Financial assets</i>							
Other non-current financial assets	-	-	3,121,398	3,121,398	-	3,028,920	3,028,920
- Other long-term investments	-	-	6,405,625	6,405,625	-	298,534	6,415,897
<i>Financial liabilities</i>							
Long-term loans from financial institutions	-	-	318,008	-	-	318,008	-
Long-term debentures	-	-	10,126	-	-	10,126	10,126
At 31 December 2021							
Financial instruments measured at FVTPL	318,008	-	318,008	-	-	318,008	-
<i>Financial assets</i>							
Other current financial assets	-	-	-	-	-	-	318,008
- Mutual fund security - debt instrument	318,008	-	-	-	-	-	-
Other non-current financial assets	-	-	-	-	-	-	-
- Other long-term investments	-	-	-	-	-	-	-
<i>Financial liabilities</i>							
Long-term loans from financial institutions	-	2,201,052	2,201,052	-	-	2,158,445	2,158,445
Long-term debentures	-	4,873,233	4,873,233	-	-	4,042,848	810,251
							4,853,099

	Carrying amount			Fair value
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total
<i>At 31 December 2022</i>				
<i>Financial assets</i>				
Other non-current financial assets	-	-	7,555	7,555
- Other long-term investments				
<i>Financial liabilities</i>				
Long-term loans from financial institutions	-	232,456	232,456	231,674
Long-term debentures	-	5,512,561	5,512,561	5,520,019
<i>At 31 December 2021</i>				
<i>Financial assets</i>				
Other current financial assets	300,007	-	300,007	300,007
- Mutual fund security - debt instrument				
Other non-current financial assets	-	9,186	9,186	9,186
- Other long-term investments				
<i>Financial liabilities</i>				
Long-term loans from financial institutions	-	790,086	790,086	771,957
Long-term debentures	-	4,056,652	4,056,652	4,042,848

Valuation technique - financial instruments

Type	Valuation technique
Mutual fund securities - debt instruments	The net asset value as of the reporting date
Other long-term investments	Adjusted net asset
The Company's debentures and subsidiary's debentures	Determined based on quoted prices in the debentures market from the Thai Bond Market Association by using the closing price at the end of the reporting period
Long-term loans from financial institutions and subsidiary's debentures	Discounted cash flows

On 22 August 2022, the Company sold all of shares in Cmego Joint Stock Company, incorporated in Vietnam and the Company reversed all of loss from investments in equity instruments designated at fair value through other comprehensive income.

(b) Movement of marketable debt securities

Consolidated financial statements

Marketable debt securities	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
(in thousand Baht)					
2022					
<i>Other current financial assets</i>					
Mutual fund securities measured at FVTPL	318,008	140,000	(458,000)	(8)	-
2021					
<i>Other current financial assets</i>					
Mutual fund securities measured at FVTPL	191,063	2,325,000	(2,198,047)	(8)	318,008

Separate financial statements

Marketable debt securities	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
(in thousand Baht)					
2022					
<i>Other current financial assets</i>					
Mutual fund securities measured at FVTPL	300,007	140,000	(440,000)	(7)	-
2021					
<i>Other current financial assets</i>					
Mutual fund securities measured at FVTPL	170,053	1,955,000	(1,825,047)	1	300,007

(c) *Financial risk management policies**Risk management framework.*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(c.1.1) *Trade receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 20.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivable.

<i>Trade and other current receivables</i>	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
(in thousand Baht)				
Within credit terms	1,004,748	27,508	961,617	-
Overdue:				
Less than 3 months	8,715	15,789	-	8
3 - 6 months	1,362	42,171	-	2
6 - 12 months	2,402	2,677	-	-
Over 12 months	1,543	735	-	-
Total	1,018,770	88,880	961,617	10
Less allowance for expected credit loss	(214)	-	-	-
Net	1,018,556	88,880	961,617	10

On 29 September 2022, the Company sold some plots of land to a non-related party amount to Baht 470.23 million. The Company already received payment of Baht 310.11 million and received the rest as a promissory note amount to Baht 160.12 million which will be due in 31 January 2023.

On 27 July 2022, the Company cancelled an agreement to buy and sell units of commercial buildings with a non-related party. The seller agreed to return a deposit for purchase commercial buildings by transferring promissory notes of Baht 90 million. In 2022, the Company already received payment of Baht 20 million, the remaining will be matured within one year totaling Baht 40 million, and was recognised in trade and other current receivables and will be matured over one year totaling Baht 30 million, and was recognised in other non-current receivables.

The normal credit term granted by the Group ranges from 5 days to 30 days.

(c.1.2) Cash and cash equivalents

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(c.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements						
		Contractual cash flows				
		More than 1 year but or less	More than less than 2 years	More than less than 5 years	More than 5 years	Total
<i>At 31 December 2022</i>						
<i>Financial liabilities</i>						
Trade and other current payables	296,281	296,281	-	-	-	296,281
Short-term borrowings from financial institutions	694,689	700,000	-	-	-	700,000
Short-term debentures	1,206,005	1,209,100	-	-	-	1,209,100
Short-term loans from related parties	116,986	124,274	-	-	-	124,274
Long-term loans from financial institutions	3,121,398	418,907	815,812	1,712,837	1,246,882	4,194,438
Long-term loans from other parties	80,000	-	85,143	-	-	85,143
Long-term debentures	6,405,625	2,932,535	1,900,241	2,150,852	-	6,983,628
Lease liabilities	<u>703,737</u>	<u>49,071</u>	<u>45,181</u>	<u>139,899</u>	<u>946,759</u>	<u>1,180,910</u>
	<u>12,624,721</u>	<u>5,730,168</u>	<u>2,846,377</u>	<u>4,003,588</u>	<u>2,193,641</u>	<u>14,773,774</u>
<i>At 31 December 2021</i>						
<i>Financial liabilities</i>						
Trade and other current payables	449,732	449,732	-	-	-	449,732
Payables for purchase of land	647,000	647,000	-	-	-	647,000
Short-term borrowings from financial institutions	1,142,137	1,150,000	-	-	-	1,150,000
Short-term debentures	1,701,986	1,743,446	-	-	-	1,743,446
Short-term loans from other parties	230,000	227,473	-	-	-	230,000
Long-term loans from financial institutions	2,201,052	377,846	643,210	1,631,394	316,510	2,968,960
Long-term debentures	4,873,233	1,496,854	3,074,057	719,491	-	5,290,402
Lease liabilities	<u>700,355</u>	<u>37,398</u>	<u>59,507</u>	<u>150,861</u>	<u>1,078,435</u>	<u>1,326,201</u>
	<u>11,942,968</u>	<u>6,132,276</u>	<u>3,776,774</u>	<u>2,501,746</u>	<u>1,394,945</u>	<u>13,805,741</u>

		Separate financial statements				
		Contractual cash flows				
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
		Carrying amount	1 year or less	2 years	5 years	
<i>At 31 December 2022</i>		<i>(in thousand Baht)</i>				
<i>Financial liabilities</i>						
Trade and other current payables	56,997	56,997	-	-	-	56,997
Short-term borrowings from financial institutions	644,688	650,000	-	-	-	650,000
Short-term debentures	1,206,004	1,209,100	-	-	-	1,209,100
Short-term loans from related parties	116,986	124,274	-	-	-	124,274
Long-term loans from financial institutions	232,456	61,755	79,715	125,390	-	266,860
Long-term loans from other parties	80,000	-	85,143	-	-	85,143
Long-term debentures	5,512,561	2,623,238	1,232,949	2,150,851	-	6,007,038
Lease liabilities	156,407	9,664	9,448	28,296	307,200	354,608
	8,006,099	4,735,028	1,407,255	2,304,537	307,200	8,754,020

		Separate financial statements				
		Contractual cash flows				
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
		Carrying amount	1 year or less	2 years	5 years	
<i>At 31 December 2021</i>		<i>(in thousand Baht)</i>				
<i>Financial liabilities</i>						
Trade and other current payables	47,598	47,598	-	-	-	47,598
Short-term borrowings from financial institutions	1,092,137	1,100,000	-	-	-	1,100,000
Short-term debentures	1,701,986	1,743,446	-	-	-	1,743,446
Short-term loans from related parties	20,000	20,000	-	-	-	20,000
Short-term loans from other parties	69,396	70,000	-	-	-	70,000
Long-term loans from financial institutions	790,086	58,982	-	854,254	-	913,236
Long-term debentures	4,056,652	937,333	2,764,759	719,491	-	4,421,583
Lease liabilities	157,721	9,582	9,664	28,444	316,900	364,590
	7,935,576	3,986,941	2,774,423	1,602,189	316,900	8,680,453

(c.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(c.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to cash at bank and loan from a financial institution which are nominated in foreign currencies. The Group did not utilise forward exchange contracts to hedge such financial liabilities denominated in foreign currencies.

	Consolidated financial statements	
	2022	2021
<i>Exposure to foreign currency at 31 December</i>	USD	USD
	<i>(in thousand Baht)</i>	
Financial assets	16,538	-
Financial liabilities	(267,340)	-
Net statement of financial position exposure	<u>(250,802)</u>	<u>-</u>

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Consolidated financial statements		Separate financial statements		
	Movement	Strengthening	Weakening	Strengthening	Weakening
<i>(in thousand Baht)</i>					
<i>2022</i>					
USD	1	2,508	(2,508)	-	-

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows

	Consolidated financial statements		Separate financial statements	
<i>Exposure to interest rate risk</i>	2022	2021	2022	2021
<i>At 31 December</i>				
<i>(in thousand Baht)</i>				
<i>Financial instruments with fixed interest rates</i>				
Financial assets				
-Short-term loans to related parties	808,500	570,000	2,627,291	2,075,500
-Short-term loans to other parties	81,200	110,000	62,700	85,000
	<u>889,700</u>	<u>680,000</u>	<u>2,689,991</u>	<u>2,160,500</u>
Financial liabilities				
-Short-term loans from financial institutions	694,689	1,142,137	644,689	1,092,137
-Short-term loans from related parties	116,986	-	116,986	20,000
-Short-term loans from other parties	-	227,473	-	69,396
-Long-term loans from other parties	80,000	-	80,000	-
-Short-term debentures	1,206,005	1,701,986	1,206,005	1,701,986
-Long-term debentures	6,405,625	4,873,233	5,512,561	4,056,652
-Lease liabilities	703,737	700,355	156,407	157,721
	<u>9,207,042</u>	<u>8,645,184</u>	<u>7,716,648</u>	<u>7,097,892</u>
<i>Financial instruments with variable interest rates</i>				
Financial liabilities				
-Long-term loans from financial institutions	<u>3,121,398</u>	<u>2,201,052</u>	<u>232,456</u>	<u>790,086</u>

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Consolidated financial statements		Separate financial statements	
<i>Impact to profit or loss</i>	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
<i>2022</i>				
<i>(in thousand Baht)</i>				
Financial instruments with variable interest rate	(31,214)	31,214	(2,325)	2,325
<i>2021</i>				
Financial instruments with variable interest rate	(22,010)	22,010	(7,901)	7,901

27. Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

28. Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Capital commitments</i>				
Acquisitions of property, plant and equipment	121,520	14,974	-	-
Total	121,520	14,974	-	-
<i>Other commitments</i>				
Project development and construction agreements	329,055	262,030	329,055	261,750
Leased building development and construction agreements	577,975	451,457	-	-
Agreements to buy and sell real estate	5,888	240,000	5,888	240,000
Low-value assets and short-term lease commitments	2,840	212	-	-
Utility service agreements	50,177	52,066	-	-
Bank guarantees	416,230	464,832	387,366	436,768
Total	1,382,165	1,470,597	722,309	938,518

On 22 November 2021 and 7 December 2021, a subsidiary entered into land lease agreements with other parties for 30 years starting from 1 January 2023 to 31 December 2052 by agreed to lease land without constructions to develop warehouse, factory, and office buildings for lease. The subsidiary paid compensation totaling Baht 114.23 million and agreed to pay annual rental fee as specified in the agreement totaling Baht 224.14 million.

29. Event after the reporting period

At the extraordinary general meeting of Yours Property Management Co., Ltd., a subsidiary, held on 1 December 2022, the shareholders approved to decrease its authorised share capital amount to Baht 2 million by reducing 20,000 ordinary shares with a par value of Baht 100 per share. The subsidiary registered its decreased capital with the Ministry of Commerce on 6 January 2023.

At the Board of Directors' meeting of the Company, held on 28 February 2023, the Board approved Prospect Development Co., Ltd., a subsidiary, to enter into transaction of disposition of assets to Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust. On the same date, the Board approved to reserve unit trust subscription of Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust not exceeding Baht 145 million.

**Details of directors, executives, the person taking the highest responsibility in finance and accounting,
the person supervising accounting and secretary**

	Name - Surname / Position / Date of appointment	Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Professional Experience for last 5 years (As of 31 December 2022)		Organization/ Company name
						Time period	Position	
1.	Mr.Suthep Wongvorazathe Chairman / Chairman of Executive Committee / Authorized Director / (Appointed date was on 15 June 2019)	74 years old	- Master Degree/ MBA , University of Wisconsin, USA - Director Training Program Thai Institute of Directors (IOD) Director Accreditation Program (DAP) 48/2005	5.54 - None -	2015 - Present Executive Director	Chairman, Chairman of Vice Chairman	Chairman, Chairman of Vice Chairman	M.K. Real Estate Development PLC Bangchak Corporation PLC Khonburi Sugar PLC CPD Asset Company Limited CPD Holding Company Limited News Corp Company Limited Asia Kangnam Company Limited
Holding any position in other parties or organizations in the past year								
-	Director at other listed company and group 2 companies				2012 - Present Vice Chairman	Chairman	None	Bangchak Corporation PLC
-	Advisor of other company and companies in the group				2011 - Present None	None	None	Khonburi Sugar PLC
-	Managing Partner, Limited partnership					None	None	
-	Advisor , Law firm					None	None	

Name - Surname / Position / Date of appointment		Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Time period	Position	Organization/ Company name	
2. Mr. Vorasit Pokachayapat		59	- Bachelor degree / Years Old	- None -	- None -	2015 – Present	Chief Executive Officer	M.K. Real Estate Development PLC	
Director / Executive Director / Chief Executive Officer / Chairman of Risk Management Committee / Nomination and Remuneration Committee Member / Authorized Director (Appointed date was on 26 October 2015)									
				Economics and Business administration ,Cornegie-Mellon University, USA - Director Training Program Thai Institute of Directors (IOD) Director Certification Program (DCP) year 2002		2002 - Present 2016 – Present 2007 – Present 1994 – Present 1998 – 2018		Director / Managing Director Director Director Director Independent Director	
								NEO Corporate Company Limited Palanamai Company Limited Finansa Fund Management Co.,Ltd. SE-Education Public Company Limited	
Holding any position in other parties or organizations in the past year <ul style="list-style-type: none"> - Director at other listed company and group 1 company - Advisor of other company and companies in the group - Managing Partner, Limited partnership - Advisor , Law firm 									
						2002 - Present None None None None		Director/Managing Director FNS Holdings PLC None None None	

Name - Surname / Position / Date of appointment	Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Time period	Position	Professional Experience for last 5 years (As of 31 December 2022)	Organization/ Company name
3. Miss Dusadee Tancharoen Director / Executive Director / Member of Risk Management Committee/ Authorized Director / Member of Management Committee / (Appointed date was on 25 April 2017)	51 years old	- Bachelor degree of Arts, Chulalongkorn University - Director Training Program Thai Institute of Directors (IOD) Director Accreditation Program (DAP) 1/27/2016 Director Certification Program (DCP) 243/2017	- None -	- None -	2017 – Present	Director / Executive Director / Risk Management Committee / Authorized Director / Member of Management Committee	M.K. Real Estate Development PLC	
		Holding any position in other parties or organizations in the past year						
		- Director at other listed company and group – company - Advisor of other company and companies in the group - Managing Partner, Limited partnership - Advisor , Law firm					None None None None	None None None None
4. Mrs. Sutida Suriyodom * Director / Executive Director / Authorized Director / Risk Management Committee / Member of Management Committee / Senior Executive	60 years old	- Master degree of Business Administration Thammasat University - Master degree of Economics University of the Thai Chamber of Commerce	0.05	- None -	2015 – 2022	Director / Executive Director / Risk Management Committee / Authorized Director / Senior Executive Vice President Of Operations Management Account and Finance Division	M.K. Real Estate Development PLC	

Name - Surname / Position / Date of appointment	Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Time period	Position	Professional Experience for last 5 years (As of 31 December 2022)	Organization/ Company name
Vice President of Operations Management Account and Finance Division (CFO) (Appointed date was on 15 June 2015)		- Director Training Program Thai Institute of Directors(IOD) Director Accreditation Program (DAP) 127/2016 Director Certification Program (DCP) 243/2017						
		1.Training by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King 1.1 Management Accounting for Planning and Decision, Class 1/20 1.2 Risk Management (Advance) – COSO ERM 2017 Class 2/20 2.Training by Thai Listed Companies Association activity TLCA CFO Professional Development Program (TLCA CFO CPD) 2.1 No.6/2021 ESG Integration in Sustainable Investing 2.2 No.7/2021 Economic update for CEO 2.3 No.8/2021 The modern CFO : Driving Digital Transformation of the Finance and Accounting 2.4 No. 1/2022, on "Improving Financial Reporting Standards for Companies Listed in Thailand" 2.5 No. 3/2022, on "FDPA for Accounting and Finance" 2.6 No. 5/2022, on "Restructuring Business for Growth"						
Holding any position in other parties or organizations in the past year								
- Director at other listed company and group – company - Advisor of other company and companies in the group - Managing Partner, Limited partnership - Advisor , Law firm							None None None None	

Name - Surname / Position / Date of appointment	Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Professional Experience for last 5 years (As of 31 December 2022)		Organization/ Company name
					Time period	Position	
5. Miss Rachanee Mahatdetkul Director / Executive Director / Authorized Director / Risk Management Committee / Member of Management Committee (Appointed date was on 26 October 2015)	56 years old	- Master Degree / MBA, Santa Clara University, USA - Director Training Program Thai Institute of Directors (IOD) Director Accreditation Program (DAP) year 2005 Director Certification Program (DCP) 25/1/2018 Strategic CFO program in Capital Markets Program Batch 4/2017 of SET	- None -	- None -	2015 - Present 2007 - Present 2018 - Present 2017 - Present	Director/ Executive Director / Risk Management Committee Senior Vice President of Investment Managing Director Director	M.K. Real Estate Development PLC FNS Holdings PLC Prospect Development Company Limited FB Food Service (2017) Company Limited
Holding any position in other parties or organizations in the past year							
- Director at other listed company and group – company							None
- Advisor of other company and companies in the group							None
- Managing Partner, Limited partnership							None
- Advisor , Law firm							None

Name - Surname / Position / Date of appointment		Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Time period	Position	Professional Experience for last 5 years (As of 31 December 2022)	Organization/ Company name
6. Mr. Att Tongyai Asavavund	Independent Director / Chairman of Audit Committee / Chairman of the Nomination and Remuneration Committee / Chairman of the Corporate Governance Committee (Appointed date was on 15 June 2015)	49 years old	- Master degree, MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University - Director Training Program Thai Institute of Directors (IOD) Director Accreditation Program (DAP) 59/2006 Audit Committee Program (ACP) 34/2011 Advanced Audit Committee Program (AACP) 28/2018	- None -	- None -	2015 - Present	Independent Director / Chairman of Audit Committee / Chairman of the Nomination and Remuneration Committee Chairman of the Corporate Governance Committee Chairman of Audit Committee Director 2022 - Present Director 2022 - Present Director 2021 - Present Director 2021 - Present Director 2021 - Present Director 2021 - Present Director 2020 - Present Director 2019 - Present Director 2022 - Present Director 2021 - Present Director 2021 - Present Director 2021 - Present Director 2013 - Present Director	Independent Director / Chairman of Audit Committee / Chairman of the Nomination and Remuneration Committee Chairman of the Corporate Governance Committee Chairman of Audit Committee Director Xspring AMIC Asset Management Co.,Ltd. Xspring Alliance Co.,Ltd. Xspring Alliance 1 Co.,Ltd. Xspring Alliance 2 Co.,Ltd. Xspring Alliance 3 Co.,Ltd. PK Land Holding Co.,Ltd. BKK CF Co.,Ltd. Infinite Capital Co.,Ltd.	M.K. Real Estate Development PLC Kantana Group PLC Kantana Holdings Co.,Ltd. ERX Co.,Ltd. Xspring AMIC Asset Management Co.,Ltd. Xspring Alliance Co.,Ltd. Xspring Alliance 1 Co.,Ltd. Xspring Alliance 2 Co.,Ltd. Xspring Alliance 3 Co.,Ltd. PK Land Holding Co.,Ltd. BKK CF Co.,Ltd. Infinite Capital Co.,Ltd.
Holding any position in other parties or organizations in the past year									
<ul style="list-style-type: none"> - Director at other listed company and group – company - Advisor of other company and companies in the group - Managing Partner, Limited partnership - Advisor , Law firm 									

Name - Surname / Position / Date of appointment	Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Professional Experience for last 5 years (As of 31 December 2022)	
					Time period	Position
7. Mr. Chaiyapont Timsoothepant Independent Director / Audit Committee / Member of the Nomination and Remuneration Committee/ Corporate Governance Committee (Appointed date was on 15 June 2015)	68 years old	- Master degree of Arts Program in Social Development, National Institute of Development Administration (NIDA) - Director Training Program Thai Institute of Directors (IOD) Director Accreditation Program (DAP) 136/2017 Advanced Audit Committee Program (AACP) 28/2018	- None -	- None -	2015 – Present	Independent Director / Audit Committee / Member of the Nomination and Remuneration Committee / Corporate Governance Committee M.K. Real Estate Development PLC
<u>Holding any position in other parties or organizations in the past year</u>						
<ul style="list-style-type: none"> - Director at other listed company and group – company - Advisor of other company and companies in the group - Managing Partner, Limited partnership - Advisor , Law firm 						
<ul style="list-style-type: none"> None None None None 						

Professional Experience for last 5 years (As of 31 December 2022)							
	Name - Surname / Position / Date of appointment	Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Time period	Organization/ Company name
8.	Mr.Theraphan Jittalam Independent Director / Audit Committee / Member of the Nomination and Remuneration Committee / Corporate Governance Committee Independent Director / (Appointed date was on 17 March 2017)	67 years old	- Master degree of Business Administration Kasetsart University - Bachelor degree of Science Kasetsart University - Special qualifications. Certificates Senior Executive Capital Market (Program WTT.) Batch 2 - Director Training Program Thai Institute of Directors(IOD) Director Accreditation Program (DAP) 140/2017 Advanced Audit Committee Program (AACP) 28/2018	- None -	- None -	2017 – Present	M.K. Real Estate Development PLC Audit Committee / Member of the Nomination and Remuneration Committee / Corporate Governance Committee Director Kunkanya Company Limited

Holding any position in other parties or organizations in the past year

- Director at other listed company and group – company None
- Advisor of other company and companies in the group None
- Managing Partner, Limited partnership None
- Advisor , Law firm None

Name - Surname / Position / Date of appointment	Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Professional Experience for last 5 years (As of 31 December 2022)		Organization/ Company name
					Time period	Position	
9. Mr. Sakkina Manierd Risk Management Committee / Member of Management Committee / Senior Executive Vice President of Residential Property Division	54	- Bachelor degree of Engineering Kasetsart University old - Director Training Program Thai Institute of Directors (IOD) Director Accreditation Program (DAP) 141/2017	- None -	- None -	2015-Present	Risk Management Committee / Member of Management Committee / Senior Executive Vice President of Residential Property Division	M.K. Real Estate Development PLC
Holding any position in other parties or organizations in the past year							
- Director at other listed company and group – company						None	None
- Advisor of other company and companies in the group						None	None
- Managing Partner, Limited partnership						None	None
- Advisor , Law firm						None	None
10. Miss Pormphan Yantossip Senior Executive Vice President of Investment Management and Director Office Division / Company Secretary	52	- Master degree EMBA Sasin years old - Director Training Program Thai Institute of Directors (IOD) Director Accreditation Program (DAP) 129/2016 Company Secretary Program (CSP) 74/2016	- None -	- None -	2015 - Present	Senior Executive Vice President of Investment Management and Director Office Division Company Secretary	M.K. Real Estate Development PLC

Name - Surname / Position / Date of appointment	Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Time period	Position	Organization/ Company name
<u>Holding any position in other parties or organizations in the past year</u>							
- Director at other listed company and group – company						None	None
- Advisor of other company and companies in the group						None	None
- Managing Partner, Limited partnership						None	None
- Advisor , Law firm						None	None
11. Mrs.Niramon Atsawakunkannurd Vice President of Accounting Department	56 years old	Bachelor degree of Accounting Sripatum University	- None -	- None -	2016 – Present	Vice President of Accounting Department	M.K. Real Estate Development PLC
The assigned person to the direct responsibility of accounting supervision							
<p>- Training :</p> <p>1. 2020 By Thailand Federation of Accounting Professions</p> <p>1.1 Insight into accounting standard about assets</p> <p>1.2 Pursue DisclosureForm for transfer pricing regulation</p> <p>2. 2021 By Thailand Federation of Accounting Professions</p> <p>2.1 Practice for Standard Accounting and Measures for Important Financial Report</p> <p>2.2 Sustainable and Ethical Business with Trade Competition Law</p> <p>2.3 TFRS16 Lease Agreement and Issue on Deferred Tax</p> <p>3. 2022 By Thailand Federation of Accounting Professions</p> <p>3.1 In-depth look into and approaches for asset accounting and depreciation in accounting standards</p> <p>3.2 TFRS for NPAs and changes in financial statements (amended, effective 1 January 2023)</p> <p>3.3 Accounting practices per significant accounting and financial reporting standards</p>							

Name - Surname / Position / Date of appointment	Age	Education / Certificate	Shareholding proportion (%)	Relationship family between director and management	Professional Experience for last 5 years (As of 31 December 2022)	
					Time period	Position
Holding any position in other parties or organizations in the past year						
- Director at other listed company and group - company					None	None
- Advisor of other company and companies in the group					None	None
- Managing Partner, Limited partnership					None	None
- Advisor , Law firm					None	None
12. Miss Busara Rogesotorn	52	- Master degree in Financial Management	0.00	- None -	2016 – Present Vice President of Finance Department	M.K. Real Estate Development PLC
Holding any position in other parties or organizations in the past year						
- Director at other listed company and group – company					None	None
- Advisor of other company and companies in the group					None	None
- Managing Partner, Limited partnership					None	None
- Advisor , Law firm					None	None

Remarks : The Board of Directors No.12/2022 held on 22 December 2022 acknowledged the resignation of Mrs. Sutida Suriyodorn from being a director of the Company effective from 1 January 2023 and appointment of Mrs.Siripan Leewanun as a Director, Executive Director, Management Committee and Chief Financial Officer of the Company. The appointment shall be effective as of 1 January 2023 onwards.

Details of the directors and executive in subsidiary, associated and joint ventures companies

Name of Companies	Name of Directors and Executive	MK	Subsidiary Company	Associated and Joint Ventures Company
1	Mr. Suthep Wongyorazathe	XXX	-	Samukke Cement Co., Ltd.
2	Mr. Vorasit Pokachaiyapat	//	/	Subnoroasing Co., Ltd.
3	Miss Dusadee Tancharoen	//	/	Bangpakong Terminal and Services Co., Ltd.
4	Mrs. Sutida Suriyodom	//	/	Bangpakong Industrial Land Co., Ltd.
5	Miss Rachanee Mahatdetkul	//	/	BTZ Bangpakong Co., Ltd.
6	Mr. Att Tongyai Asayanund	XX	-	Fraser Property BTZ Co., Ltd.
7	Mr. Chaiyapont Timsootoheepant	///	-	BTZ Wangnol Co., Ltd.
8	Mr. Theraphan Jittalarn	///	-	Rakxa Venture Co., Ltd.
9	Mr. Sakdina Manled	///	-	Frasers Property BTZ Co., Ltd.
10	Miss Pornphan Yantossip	///	-	Prospect Real Management Co., Ltd.
11	Miss Busara Rogesotorn	///	-	Free Zone Asset Co., Ltd.
12	Mrs. Niramon Atsawakunkamurd	///	-	Rx Wellness Co., Ltd.
				Yours Property Management Co., Ltd.
				Prospect Development Co., Ltd.
				S71 Property Co., Ltd.
				Fraser Zone Asset Co., Ltd.
				Prospect Real Management Co., Ltd.
				Rakxa Venture Co., Ltd.
				Fraser Property BTZ Co., Ltd.
				BTZ Wangnol Co., Ltd.
				Bangpakong Industrial Land Co., Ltd.
				BTZ Bangpakong Co., Ltd.
				Subnoroasing Co., Ltd.
				Samukke Cement Co., Ltd.

Remarks : 1) XXX = Chairman of the Board XX = Chairman of the Audit Committee // = Director // = Executive Director // = Independent Director and Audit Committee // = Executive

2) Mrs. Sutida Suriyodom has resigned from the Board of Directors, Subsidiary Company , Associated and Joint Ventures Company , effective from 1 January 2023.

Details of the Directors of the subsidiary

Director Name	Company Name List	MK	Mancon Co., Ltd.	Munkong Life. Co., Ltd.	MKH Assets Co., Ltd.	Health and Wellness Village Co., Ltd.	Yours Property Management Co., Ltd.	Prospect Development Co., Ltd.	Rx Wellness Co., Ltd.	\$ 71 Property Co., Ltd.	Free Zone Asset Co., Ltd.	Prospect Reit Management Co., Ltd.
1 Mr.Suthep Wongyorazathe	XXX	-	-	-	-	-	-	-	-	-	-	-
2 Mr.Vorasit Potachaiyapat	//	/	/	/	/	/	/	/	/	/	/	/
3 Miss Dusadee Tancharoen	//	/	/	/	/	/	/	/	/	/	/	/
4 Mrs. Sutida Suriyodom ²⁾	//	/	/	/	/	/	/	/	/	/	/	/
5 Miss Rachanee Mahatdetkul	//	/	/	/	/	/	/	/	/	/	/	/
6 Mr. Att Tongyai Asavanund	XX	-	-	-	-	-	-	-	-	-	-	-
7 Mr. Chaiyaporn Timsoototheepant	///	-	-	-	-	-	-	-	-	-	-	-
8 Mr.Theraphan Jittalarm	///	-	-	-	-	-	-	-	-	-	-	-
9 Miss Pakavalee Jearswatvatana	-	-	-	-	-	-	-	-	-	-	-	/

Remarks :-

- 1) XXX = Chairman of the Board XX = Chairman of the Audit Committee / = Director // = Executive Director /// = Independent Director and Audit Committee
 2) Mrs. Sutida Suriyodom has resigned from the Board of Directors and Subsidiary Company, effective from 1 January 2023.

Details about head of internal audit and head of compliance of the Company

Details of Internal audit department

Audit company : P&L Corporation Company Limited

Office address : 281/157 Krungthep-Nonthaburi Rd., Bangken, Muang, Nonthaburi 11000

Telephone : 02-526-6100, 02-526-0300

Details of Internal audit supervisor

Miss Monnapat Phumirattanajarin

Educational qualification

- Master of Accounting Program Executive Accounting Faculty of Commerce and Accountancy Chulalongkorn University
- Bachelor of Accounting, Accounting Program, Faculty of Accountancy, Dhurakij Pundit University

Certificate

- Certified Professional Internal Audit of Thailand (CPIAT), The Institute of Internal Auditors of Thailand (IIAT)
- Internal Auditing Certificate Program (IACP), Thailand Federation of Accounting Professions (TFAC)
- CAC SME Independent Auditor Certification, Thai Institute of Directors Association (IOD)
- ICDL Data Protection Certification, Digital Skills Development and Testing Institute (DDTI)

Internal auditing work experience

- Initial Public Offering (IPO) ; Hospital and Health care business, Production business (Food, Animal feed, Automotive and Packaging), Hotel and restaurant business, Transportation business (Land, Marine and Airline), Energy business.
- Securities Exchange of Thailand (SET) and Market for Alternative Investment (mai) ; Production business (Food & Non food), Wholesale and Retail business, Personal loan, Debt Auction and Real estate.
- Others ; Education Business, Production and distribution

Work experience

- Vice President, P&L Internal Audit Co., Ltd.
- Senior Internal audit manager, P&L Internal Audit Co., Ltd.
- Internal audit manager, P&L Internal Audit Co., Ltd.
- Marketing Officer, Seamico Securities PLC.
- Assistant Teacher, Dhurakij Phundit University (Accountancy Faculty)
- Accountant staff, Sustainable Energy Association

Training

- The project to promote knowledge in legal compliance for accountant Class 6 , Business Accounting Division, The Department of Business Development.
- Internal control of legal compliance important to the sustainability of the business and accounting for derivatives and hedging, Faculty of Commerce and Accountancy Alumni Association Chulalongkorn University.

- How to Become an Effective Internal Auditor N0. 2/2565 Thai Federation of Accounting Professions (TFAC).
- Update Tax Relief Measures, Raja Mangala University of Technology Rattanakosin.
- Key points of Thai Financial Reporting Standards, Raja Mangala University of Technology Rattanakosin.
- Accounting for Decisions, Raja Mangala University of Technology Rattanakosin.
- Corporate income tax concerns, Faculty of Commerce and Accountancy Chulalongkorn University.
- Personal Data Protection Act (PDPA) for Internal Audit class 6, Political Science Association of Kasetsart University.
- Ethical Audit, The Institute of Internal Auditors of Thailand (IIAT)
- Techniques for developing the Risk Universe and the Audit Universe - Manufacturing business, The Institute of Internal Auditors of Thailand (IIAT)
- IA's New Value Proposal During and After the Crisis, The Institute of Internal Auditors Thailand (IIAT).
- Auditing and audit considerations when an entity uses a computer to process data (2/2561), Thai Federation of Accounting Professions (TFAC)
- Tax Accountant (Full course), Thai Federation of Accounting Professions (TFAC)
- 108 Problems of VAT and Update new tax law (2014-2015), The Revenue Department
- Internal Auditing Certificate Program (17), Thai Federation of Accounting Professions (TFAC)
- Quality Accounting Firm, Department of Business Development (DBD)
- Business Management for Internal Audit In the age Digital 4.0 class 6, Thai Federation of Accounting Professions (TFAC)
- Working Paper for Better Corruption Prevention, Thai Institute of Directors Association (IOD)
- Financial Statements Review for Internal Auditors class 1/2560, Thai Federation of Accounting Professions (TFAC)
- Accountant acted legally (1/2560), The Revenue Department
- IPO Focus " Effective Internal Control for Success IPO ", Thai Institute of Directors Association (IOD)
- NPAE Financial Reporting Standards and the difference from IFRS for SME, Thai Federation of Accounting Professions (TFAC)
- Integrated Audit (1/2561), Thai Federation of Accounting Professions (TFAC)
- Pre-CIA course, Chulalongkorn University
- Training Analysis Fundamental Information in Financial market and stock market, Thailand Securities Institute (TSI)

Assets used in business operation and details of asset appraisal

No.	Project	Location / Items	Remaining area(SQ. wah)	Appraiser	Appraisal year	Appraisal price (thousand baht)	Obligation
1	Chuan Chuen Flora Ville, Brokside Chuan Chuen Golf Avenue Chuan Chuen Town Rangsit-Klong 1 Chuan Chuen Town Ratclapruetk 345 Chuan Chuen Watcharaphon-Ramnitra Chuan Chuen Town Bangyai Chuan Chuen Town Chaiyapruek-Chaengwattana Chuan Chuen Prime Village Bangna Chuan Chuen Town Village Bangna Chuan Chuen Park Pinklao-Kanchana Chuan Chuen Town Rangsit-Klong 3 Others	Bangkok-Patumthani Rd., Bang Khu Wat, Mueang Pathum Thani, Pathum Thani Bangkok-Patumthani Rd., Bang Khu Wat, Mueang Pathum Thani, Pathum Thani Rangsit-Nakhon Nayok Rd., Prachathipat, Thanyaburi, Pathum Thani Nonthaburi-Bang Bua Thong Rd., Lam Pho, Bang Bua Thong, Nonthaburi Watcharaphon Rd., Tha Raeng, Bang Khen, Bangkok Soi Phra Non, Bang Mae Nang, Bang Yai (Bang Bua Thong), Nonthaburi Phimmonrat Subdistrict, Bang Bua Thong, Nonthaburi Soi Kiat Phiphatthani, Bangna-Trad Rd., Km 29, Bang Bo, Samut Prakan Soi Kiat Phiphatthani, Bangna-Trad Rd., Km 29, Bang Bo, Samut Prakan Sala Klang, Bang Kruai, Nonthaburi Khlong Sam, Khlong Luang, Pathum Thani Others	1,472 1,468 222 2,580 286 3,689 5,798 7,197 6,237 4,693 4,294 78,538	Bangkok Property Appraisal Co Ltd Bangkok Property Appraisal Co Ltd	2023 2023 2021 2021 2021 2022 2022 2022 2020 2020 2020 2020	38,621 38,529 27,303 324,996 33,523 169,158 384,962 292,310 592,834 432,958 578,308 555,568	- - - - - Kiatnakin Bank Kiatnakin Bank Kiatnakin Bank Siam Commercial Bank (some parts).Siam Commercial Bank, Viniyah Insurance Plc

No.	Project	Location / Items	Remaining area(SQ. wah)	Appraiser	Appraisal year	Appraisal price (thousand baht)	Obligation
	Other land development for sale			Bangkok Property Appraisal Co Ltd, T.A. Management Corporation (1999) Co Ltd , Petchsiam Appraisal Co Ltd	2020 - 2023	2,608,914	(some parts) :Tiscco bank Plc, Kiatnakin Bank
2	Investment properties					6,827,537	
	Less Accumulated depreciation					(386,065)	
	Other buildings and structures					5,997,498	
3						(366,968)	
	Less Accumulated depreciation						
	Net					18,149,986	

Remarks:

Asset No. 1 is land with buildings developed for sale and land for development as noted in the financial statements no. 6, 7

Assets No. 2-3 are investment properties, buildings and structures whose life and depreciation calculation is in accordance with note 3 (h) (i), note 10 and 11 of the Company financial statements.

The Company has an appraisal with validity of not over 3 years (2020 - 2023) made by the appraiser who is approved by SEC. As for the appraisal report made over 6 months before submitting 5G-1 report, the Company has adjusted the appraised price of asset no. 1 to be in line with the job value given to the customer by using comparative average method between the unsold area and the appraised area.



MK REAL ESTATE

Corporate Governance Policy

M.K.REAL EATATE DEVELOPMENT PLC.



CODE OF CONDUCT AND WORK RULES

2016 Revised Edition

**M.K. REAL ESTATE DEVELOPMENT
PUBLIC COMPANY LIMITED**

The Company disclosed Corporate Governance Policy and Code of Conduct and Work Rules on Company's Website, subject "IR Home" , www.mk.co.th

Audit Committee's report

As at 31 December 2022, Audit Committee of M.K. Real Estate Development Public Company Limited, consists of three (3) independent directors, these include Mr. Att Tongyai Asavanund, Chairman of the Audit Committee, Mr. Chaiyapont Timsootheepant and Mr.Theraphan Jittalarn as members of the Audit Committee, to support the work of the Audit Committee. In addition the Audit Committee consists of at least one member who has the knowledge and experience in reviewing financial statements for reliability.

Audit Committee has carried the duties assigned by the Board of Directors and based on the charter of Audit Committee, which is in line with the Stock Exchange of Thailand regulations. In the 2022 accounting period, Audit Committee held a total of 4 Meetings. All members of Audit Committee were present in these meetings, which were also attended by management, external auditors, and internal auditors, as appropriate. These meetings can be summarized as follows:

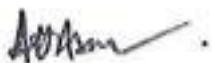
In 2022, Audit Committee held a total of 4 meetings, which can be summarized as follows:

1. A review of financial statements of the Company and its subsidiaries before presenting them to the Board of Directors. Having reviewed the financial statements and heard explanations by the auditors and management, Audit Committee was of an opinion and convinced that the financial statements were prepared in accordance with generally accepted accounting principles, and disclosed all the significant information accurately and completely.
2. Recommended the appointment of auditors from KPMG Phoomchai Audit Company Limited and determined the audit fees for the year, and presented to the Board of Directors, who in turn presented to the shareholders' meeting for approval. Audit Committee was of an opinion that the persons being nominated for appointment as auditors had the right qualifications and were adequately independent to conduct auditing for the Company and its subsidiaries.
3. Considered engaging P&L Corporation Company Limited an unrelated company, to conduct internal auditing at the Company. This company was qualified for the task, considering its work teams, personnel availability, experience, knowledge and skills, and the company's independence. The internal auditors reviewed each part of the Company's operations, based on the guidance on evaluating adequacy of the internal controls system.
4. Reviewed related party transactions, disclosed information relating for related party transactions, and acquisition and disposal of assets to ensure compliance with relevant laws and regulations.
5. Approved annual audit plans and reviewed internal controls, which were part of the Company's management policies. Approved procedures in the audit plans prepared in writing, for use as guidance in conducting the auditing that meets international standard.

6. Considered and listened to explanations of the report on the internal audit results from the internal auditors, who were appointed per the approval of Audit Committee and conducted the auditing based on the assessed significance of the risks Audit Committee prepared a summary of significant findings and presented them to the Board of Directors and management, including findings on corporate governance, compliance with laws and regulations, and adequate efficiency in assessing and mitigating risks that might occur in each department and to the Company
7. Reviewed and evaluated adequacy of the internal controls system for the year. In light of this, Audit Committee was of an opinion that the Company's internal controls system was efficient and adequate for risk prevention due to its compliance with company policies and strategy.
8. Held meetings with the auditors without the presence of management, to ensure that auditors were able to independently report issues or limitations that occurred while auditing financial statements. In this regard, the auditors did not note any material limitations.

Audit Committee has carried out the assigned duties with prudence and to the best of each member's ability, for the benefits of the Company, shareholders, and stakeholders.

On behalf of Audit Committee



(Mr. Att Tongyai Asavanund)

Chairman of Audit Committee



Property Development
for rent and related services



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