MMM Capital Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2024

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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of MMM Capital Public Company Limited

I have reviewed the accompanying statement of financial position of MMM Capital Public Company Limited as at 31 March 2024, and the related statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 1.4 to the interim financial statements, which describes the correction of the prior period's financial statements concerning the recognition of revenues from real estate sales management contracts based on key conditions stipulated in the contracts rather than on an activity basis. Therefore, the Company has restated the income statement for the three-month period ended 31 March 2023, presented herein as comparative information, to reflect the effect of the adjustment. My conclusion is not modified in respect of this matter.

Piya Chaipruckmalakarn

Certified Public Accountant (Thailand) No. 7544

EY Office Limited
Bangkok: 3 May 2024

MMM Capital Public Company Limited

Statement of financial position

As at 31 March 2024

(Unit: Thousand Baht)

	Note	31 March 2024	31 December 2023
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		34,441	51,964
Trade and other receivables	3	24,635	16,859
Real estate development costs	4	42,514	45,190
Deposits under real estate agent agreements	5	14,855	14,975
Deposits under real estate management service contracts	6	50,061	30,025
Other current assets		2,081	2,155
Total current assets		168,587	161,168
Non-current assets			
Investment properties		8,718	8,718
Plant and equipment	7	13,056	2,454
Right-of-use assets		9,364	6,981
Intangible assets		3,613	3,703
Deferred tax assets		76	66
Other non-current assets		481	463
Total non-current assets		35,308	22,385
Total assets		203,895	183,553

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

MMM Capital Public Company Limited

Statement of financial position (continued)

As at 31 March 2024

(Unit: Thousand Baht)

	Note	31 March 2024	31 December 2023
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	8	25,153	4,926
Current portion of lease liabilities		2,255	2,492
Income tax payable		4,817	3,252
Other current liabilities		3,494	3,074
Total current liabilities		35,719	13,744
Non-current liabilities			
Lease liabilities - net of current portion		4,708	2,741
Provision for long-term employee benefits		1,444	1,291
Total non-current liabilities		6,152	4,032
Total liabilities		41,871	17,776

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

MMM Capital Public Company Limited

Statement of financial position (continued)

As at 31 March 2024

(Unit: Thousand Baht)

	Note	31 March 2024	31 December 2023
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	9		
Registered			
123,900,000 ordinary shares of Baht 1 each (31 December 2023: 118,000,000 ordinary shares of Baht 1 each)		123,900	118,000
Issued and paid-up			
118,000,000 ordinary shares of Baht 1 each		118,000	118,000
Share premium		21,180	21,180
Retained earnings			
Appropriated - statutory reserve		3,100	3,100
Unappropriated		19,744	23,497
Total shareholders' equity		162,024	165,777
Total liabilities and shareholders' equity		203,895	183,553

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

MMM CAPITAL PUBLIC COMPANY LIMITED

Directors

(Unaudited and unreviewed)

MMM Capital Public Company Limited

Income statement

For the three-month period ended 31 March 2024

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

	Note	2024	2023
Revenues			
Service income under real estate agent agreements		49,870	31,660
Revenues from real estate sales management service contracts		8,549	18,220
Revenues from sales of real estate		6,313	-
Other income		528	700
Total revenues		65,260	50,580
Expenses			
Cost of service under real estate agent agreements		26,925	18,799
Cost of real estate sales management service contracts		4,576	9,704
Cost of real estate sold		3,018	-
Selling and distribution expenses		7,070	7,324
Administrative expenses		7,758	5,759
Provision for expected credit losses		31	540
Total expenses		49,378	42,126
Operating profit		15,882	8,454
Finance income		191	703
Finance cost		(99)	(76)
Profit before income tax expenses		15,974	9,081
Income tax expenses	10	(3,207)	(1,850)
Profit for the period		12,767	7,231
Earnings per share	11		
Basic earnings per share		0.10	0.09
Weighted average number of ordinary shares (shares)		123,900,000	82,788,889

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

(Unaudited and unreviewed)

MMM Capital Public Company Limited

Statement of comprehensive income

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	2024	2023
Profit for the period	12,767	7,231
Other comprehensive income:		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	12,767	7,231

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

(Unaudited and unreviewed)

MMM Capital Public Company Limited

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Retained earnings: Appropriated - statutory reserve	Retained earnings: Unappropriated	Total
Balance as at 1 January 2023	20,000	-	-	92,625	112,625
Profit for the period	-	-	-	7,231	7,231
Total comprehensive income for the period	-	-	-	7,231	7,231
Increase in share capital	40,000	-	-	-	40,000
Dividend paid (Note 13)	-	-	-	(87,000)	(87,000)
Transfer retained earnings to statutory reserve	-	-	2,000	(2,000)	-
Balance as at 31 March 2023	60,000	-	2,000	10,856	72,856
Balance as at 1 January 2024	118,000	21,180	3,100	23,497	165,777
Profit for the period	-	-	-	12,767	12,767
Total comprehensive income for the period	-	-	-	12,767	12,767
Dividend paid (Note 13)	-	-	-	(16,520)	(16,520)
Balance as at 31 March 2024	118,000	21,180	3,100	19,744	162,024

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

(Unaudited and unreviewed)

MMM Capital Public Company Limited

Statement of cash flows

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	2024	2023
Cash flows from operating activities		
Profit before tax	15,974	9,081
Adjustments to reconcile profit before tax to		
net cash provided by (paid from) operating activities		
Depreciation and amortisation	1,051	699
Provision for expected credit losses	31	540
Provision for long-term employee benefits	153	31
Gain on write-off of right-of-use assets	(60)	-
Finance income	(191)	(703)
Finance cost	99	76
Profit from operating activities before changes		
in operating assets and liabilities	17,057	9,724
Operating assets (increase) decrease		
Trade and other receivables	(7,776)	2,749
Real estate development costs	2,676	(11,375)
Deposits under real estate agent agreements	280	(5,070)
Deposits under real estate management service contracts	(20,036)	(6,830)
Other current assets	74	(386)
Other non-current assets	(18)	(149)
Operating liabilities increase (decrease)		
Trade and other payables	3,635	484
Other current liabilities	420	(559)
Cash flows used in operating activities	(3,688)	(11,412)
Cash paid for withholding tax	(1,652)	(1,487)
Cash paid for interest expenses	(99)	(76)
Net cash flows used in operating activities	(5,439)	(12,975)

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

(Unaudited and unreviewed)

MMM Capital Public Company Limited

Statement of cash flows (continued)

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	2024	2023
Cash flows from investing activities		
Cash paid for acquisitions of plant and equipment	(10,729)	(484)
Cash paid for acquisitions of right-of-use assets	(704)	-
Cash paid for acquisitions of intangible assets	-	(1,820)
Net cash flows used in investing activities	(11,433)	(2,304)
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(651)	(335)
Proceeds from increase in share capital	-	40,000
Dividend paid	-	(40,000)
Net cash flows used in financing activities	(651)	(335)
Net decrease in cash and cash equivalents	(17,523)	(15,614)
Cash and cash equivalents at beginning of the period	51,964	25,852
Cash and cash equivalents at end of the period	34,441	10,238
Supplemental cash flow information		
Non-cash transactions		
Increase in accounts payable for purchase of equipment	72	-
Increase in right-of-use assets from lease liabilities	3,885	1,610
Tranfer equipment to intangible assets	-	2
Dividend payable	16,520	47,000

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

MMM Capital Public Company Limited

Notes to interim financial statements

For the three-month period ended 31 March 2024

1. General information

1.1 Corporate information

MMM Capital Public Company Limited ("the Company") is a limited company incorporated and domiciled in Thailand and subsequently transformed to be a public company limited under Thai laws on 21 August 2023. Its parent company is MM Capital Holding Co., Ltd., which was incorporated in Thailand. The Company is principally engaged in providing real estate management services and real estate sales agent. The registered office of the Company is at No. 89/2, Soi Nathong, Ratchadaphisek Road, Din Daeng, Bangkok.

1.2 Basis for the preparation of interim financial information

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

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

The interim financial information in Thai language is the official statutory financial statements of the Company. The interim financial information in English language has been translated from the Thai language interim financial information.

1.3 Accounting policies

The interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Company's financial statements.

1.4 Correction of the prior period's financial statement

During the year 2023, the management reviewed the recognition of revenues from real estate sales management service contracts and found that the Company should have recognised revenues based on key conditions stipulated in the contracts rather than on an activity basis. Therefore, the Company has restated the income statement for the three-month period ended 31 March 2023, presented herein as comparative information, to reflect the effect of the adjustment.

The amounts of adjustments affecting the income statement are summarised below.

(Unit: Thousand Baht)

	As previously reported	Reclassified	As reclassified
Income statement for the three-month period ended 31 March 2023			
Revenue from services	38,964	(38,964)	-
Service income under real estate agent agreements	-	31,660	31,660
Revenues from real estate sales management service contracts	-	18,220	18,220
Revenue from sales	831	(831)	-
Other income	6	694	700
Cost of services	22,066	(22,066)	-
Cost of service under real estate agent agreements	-	18,799	18,799
Cost of real estate sales management service contracts	-	9,704	9,704
Cost of sales	705	(705)	-
Selling and distribution expenses	2,277	5,047	7,324

The reclassifications had no effect to previously reported profit or shareholders' equity.

2. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 31 March		Transfer pricing policy
	2024	2023	
Transaction with parent company			
Dividend paid	14.0	87.0	Approval by the shareholders' meeting
Transaction with related party			
Interest income	-	0.4	12% per annum
Transaction with management and director			
Purchase of office building	10.4	-	Market price
Dividend paid	1.9	-	Approval by the shareholders' meeting
Rental expense	0.4	0.1	Contract price

As at 31 March 2024 and 31 December 2023, the balance of the accounts between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	31 March 2024	31 December 2023
Dividend payables - related parties		
Parent company	14,000	-
Management and director	1,880	-
Total dividend payables - related parties	15,880	-

Directors and management's benefit

During the three-month periods ended 31 March 2024 and 2023, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2024	2023
Short-term employee benefits	1,965	1,422
Post-employment benefits	33	10
Total	1,998	1,432

3. Trade and other receivables

(Unit: Thousand Baht)

	31 March 2024	31 December 2023
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	16,274	11,703
Past due		
Up to 3 months	8,312	5,156
Total trade receivables - unrelated parties	24,586	16,859
Other receivables		
Other receivables	48	-
Advances	1	-
Total other receivables	49	-
Total trade and other receivables	24,635	16,859

4. Real estate development costs

(Unit: Thousand Baht)

	31 March 2024	31 December 2023
Development land and construction	42,514	45,190
Total	42,514	45,190

5. Deposits under real estate agent agreements

(Unit: Thousand Baht)

	31 March 2024	31 December 2023
Deposits under real estate agent agreements	15,430	15,710
Less: Allowance for expected credit losses	(575)	(735)
Deposits under real estate agent agreements - net	14,855	14,975

The deposit under real estate agent agreements serves as the principal guarantee for the owner's rights to the property. The Company is obliged to act as an agent for the sale of real estate to sell the real estate in the quantity and within the timeframe stipulated in the agreement. In the event that the Company is unable to find a buyer within the designated timeframe, the property owner has the right to forfeit the aforementioned deposit.

6. Deposits under real estate management service contracts

Deposits under real estate management service contracts represent deposits placed for the full value of the real estate with the conditions that the Company holds the right to determine whether the owner of the real estate transfers ownership to the Company, the Company's customers, or any person designated by the Company, within the agreed upon period from the deposit date. However, should this period lapse, the Company is entitled to receive the transfer of ownership of the real estate within 30 days.

7. Plant and equipment

Movements of plant and equipment for the three-month period ended 31 March 2024 are summaries below:

(Unit: Thousand Baht)

Net book value as at 1 January 2024	2,454
Acquisition during the period - at cost	10,801
Depreciation for the period	(199)
Net book value as at 31 March 2024	13,056

8. Trade and other payables

		(Unit: Thousand Baht)
	31 March 2024	31 December 2023
Trade payables - unrelated parties	2,953	1,356
Other payables - unrelated parties	214	155
Dividend payable	16,520	-
Accrued expense - unrelated parties	5,120	3,194
Deferred revenue	346	221
Total	25,153	4,926

9. Share capital

On 20 March 2024, the 2023 Extraordinary General Meeting of the shareholders of the Company passed a special resolution approving an increase in the Company's registered share capital from Baht 118 million (118 million ordinary shares of Baht 1 each) to Baht 123.9 million (123.9 million ordinary shares of Baht 1 each), through the issuance of 5.9 million new ordinary shares with a par value of Baht 1 each, or a total of Baht 5.9 million to support the stock dividend payment. The Company registered the increase in its share capital with the Ministry of Commerce on 26 March 2024.

10. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht) For the three-month periods ended 31 March	
	2024	2023
Current income tax:		
Interim corporate income tax charge	3,217	1,963
Deferred tax:		
Relating to origination and reversal of temporary differences	(10)	(113)
Income tax expenses reported in profit or loss	3,207	1,850

11. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. The Company adjusted the number of ordinary shares for the three-month period ended 31 March 2023, in proportion to the change in the number of ordinary shares as a result of the change in par value from Baht 100 each to Baht 1 each, which was approved on 11 August 2023 by the Extraordinary General Meeting of the Company's shareholders, as if the share split had occurred at the beginning of the earliest period reported. In addition, the number of ordinary shares is adjusted as if the stock dividend had occurred at the beginning of the earliest period reported. As a result, the 2023 earnings per share was adjusted to give a comparative result.

12. Segment information

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

The following tables present revenue and profit information regarding the Company's operating segments for the three-month periods ended 31 March 2024 and 2023.

(Unit: Million Baht)

	Real estate sales consultant		Real estate sales management		Sales of real estate		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from external customers	50	32	9	18	6	-	65	50
Gross profit							30	21
Other income							1	1
Selling and distribution expenses							(7)	(7)
Administrative expenses							(8)	(6)
Provision for expected credit losses							-	(1)
Finance income							-	1
Income tax expenses							(3)	(2)
Profit for the period							13	7

13. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Thousand Baht)	(Baht)
Interim dividends from retained earnings as at 15 January 2023	Board of Directors' meeting on 23 January 2023	87,000	435*
Total dividends for the three-month period ended 31 March 2023		87,000	
Annual dividend for 2023	Annual General Meeting of the shareholders on 20 March 2024	135,420	1.1476****
Less: Interim dividends from retained earnings as at 15 January 2023	Board of Directors' meeting on 23 January 2023	(87,000)	(435)*
Interim dividends from retained earnings as at 30 June 2023	Board of Directors' meeting on 3 July 2023	(22,000)	(22)**
Interim dividends from retained earnings as at 30 September 2023	Board of Directors' meeting on 8 November 2023	(4,000)	(0.0348)***
Total dividends for the three-month period ended 31 March 2024		22,420	

*Dividend per share is calculated from the number of ordinary shares as of the date of dividend approval which is 200,000 shares.

**Dividend per share is calculated from the number of ordinary shares as of the date of dividend approval which is 1,000,000 shares.

***Dividend per share is calculated from the number of ordinary shares as of the date of dividend approval which is 115,000,000 shares.

****Dividend per share is calculated from the number of ordinary shares as of the date of dividend approval which is 118,000,000 shares.

On 20 March 2024, the Company's Annual General Meeting of Shareholders for the year 2024 passed a resolution approving the payment of the 2023 annual dividend amounting to Baht 135.4 million. The Company had already paid interim dividends totaling Baht 113 million, leaving a balance of Baht 22.4 million for payment at this time. The dividend payment will consist of a stock dividend at a rate of Baht 0.05 per share, equivalent to 20 ordinary shares per 1 stock dividend, and a cash dividend at a rate of Baht 0.14 per share. The record date for shareholders entitled to receive dividends was set on 23 February 2024, and the dividend payment date is scheduled for 5 April 2024.

14. Commitments and contingent liabilities

14.1 Capital commitments

As at 31 March 2024, the Company had capital commitments of approximately Baht 0.4 million (31 December 2023: Baht 0.4 million), relating to software development agreement.

14.2 Service commitment

As at 31 March 2024 and 31 December 2023, the Company has future service payments required under these non-cancellable contracts as follows:

(Unit: Thousand Baht)

	31 March 2024	31 December 2023
Within 1 year	1,623	1,654
Over 1 and up to 5 years	752	-
Total	2,375	1,654

15. Financial instrument

Fair value of financial instrument

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

16. Event after the reporting period

On 3 May 2024, a meeting of the Company's Board of Directors passed a resolution to approve an interim dividend payment of Baht 0.08 per share, totaling Baht 9.91 million, from the profit for the three-month period ended 31 March 2024. The dividend will be paid to the shareholders by 31 May 2024, and it will be recorded in the second quarter of 2024.

17. Approval of interim financial information

This interim financial information was authorised for issue by the Company's authorised Director on 3 May 2024.