

Major Development Public Company Limited
and its subsidiaries
Review report and interim consolidated financial
information
For the three-month and nine-month periods ended
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Major Development Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Major Development Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2018, the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Major Development Public Company Limited for the same periods. 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*.

Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 13 November 2018

Major Development Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		579,866	716,715	100,577	97,912
Trade and other receivables	3, 10	197,373	213,688	1,452,494	1,198,771
Short-term loans to related parties	10	-	-	1,866,975	1,992,015
Current portion of long-term loans to related parties	10	-	480,947	-	480,947
Land and construction in progress	4	11,278,592	11,927,940	1,998,605	2,551,757
Advances for construction		607,681	391,174	120,818	114,318
Deposits for purchase of land		298,861	172,050	37,077	37,077
Other current assets		214,840	159,504	53,347	27,134
Total current assets		13,177,213	14,062,018	5,629,893	6,499,931
Non-current assets					
Pledged deposits at banks	18.3	20,980	17,170	5,670	5,670
Investments in joint ventures	6	359,829	61,730	74,990	74,990
Investments in subsidiaries	7	-	-	4,623,626	4,623,626
Long-term loans to related parties	10	361,656	104,202	387,600	244,800
Investment properties	8	2,528,725	2,439,047	733,999	745,434
Land held for development	5	335,332	335,332	-	-
Property, plant and equipment	9	2,401,434	2,328,203	35,251	44,563
Intangible assets		41,260	24,240	6,112	7,582
Deferred tax assets	16	169,954	140,762	31,481	50,166
Other non-current assets		13,577	13,198	9,437	10,499
Total non-current assets		6,232,747	5,463,884	5,908,166	5,807,330
Total assets		19,409,960	19,525,902	11,538,059	12,307,261

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

Major Development Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Liabilities and equity					
Current liabilities					
Bank overdrafts	11	9,879	13,864	9,879	9,854
Current portion of bills of exchange	12	258,241	1,012,179	149,527	1,012,179
Trade and other payables		1,452,924	1,404,153	484,940	449,876
Current portion of long-term loans from financial institutions	14	1,725,206	2,915,684	363,874	496,050
Short-term debentures	13	810,000	510,000	810,000	510,000
Current portion of long-term debentures	13	3,738,494	300,000	3,649,243	300,000
Short-term loans from related parties	10	-	84,000	-	146,200
Current portion of long-term loans from related parties	10	50,000	-	50,000	-
Current portion of liabilities under finance lease agreements	15	4,705	1,609	-	195
Retention payables		360,792	401,179	127,635	194,318
Deposits and advances from customers		1,808,698	1,215,764	242,290	178,971
Other current liabilities		156,758	174,495	123,142	119,786
Total current liabilities		10,375,697	8,032,927	6,010,530	3,417,429
Non-current liabilities					
Bills of exchange	12	-	108,585	-	-
Long-term debentures	13	879,205	3,870,933	879,205	3,782,483
Long-term loans from financial institutions	14	3,766,546	3,464,211	170,755	672,744
Long-term loans from related parties	10	-	50,000	-	50,000
Liabilities under finance lease agreements	15	14,422	4,637	-	161
Provision for long-term employee benefits		35,556	31,135	95	10,841
Deferred tax liabilities	16	143,533	155,787	106,983	120,674
Other non-current liabilities		21,570	22,706	-	-
Total non-current liabilities		4,860,832	7,707,994	1,157,038	4,636,903
Total liabilities		15,236,529	15,740,921	7,167,568	8,054,332

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

Major Development Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
1,050,000,000 ordinary shares of Baht 1 each	1,050,000	1,050,000	1,050,000	1,050,000
Issued and paid-up				
860,411,939 ordinary shares of Baht 1 each	860,412	860,412	860,412	860,412
Premium on ordinary shares	875,267	875,267	875,267	875,267
Retained earnings				
Appropriated - statutory reserve	105,000	105,000	105,000	105,000
Unappropriated	2,189,371	1,800,921	2,529,812	2,412,250
Other components of shareholders' equity	143,381	143,381	-	-
Total shareholders' equity	4,173,431	3,784,981	4,370,491	4,252,929
Total liabilities and shareholders' equity	19,409,960	19,525,902	11,538,059	12,307,261
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2018**

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Sales of units in condominium projects		1,347,722	376,442	421,161	205,709
Revenues from hotel operations		62,396	65,696	-	-
Management fee income		17,129	8,382	-	4,500
Rental and services income		23,642	23,593	1,200	1,200
Other income					
Interest income		6,848	10,673	44,522	20,226
Others		6,875	12,589	403	9,346
Total revenues		1,464,612	497,375	467,286	240,981
Expenses					
Cost of units in condominium projects sold		830,788	258,758	248,151	135,082
Cost from hotel operations		50,714	47,913	-	-
Cost of management services		9,838	10,004	-	3,150
Cost of rental and services		7,902	4,374	-	-
Selling expenses		292,565	111,278	56,130	31,285
Administrative expenses		166,689	149,025	14,708	43,076
Total expenses		1,358,496	581,352	318,989	212,593
Profit (loss) before share of gain (loss) from investments in joint ventures, finance cost and income tax expenses					
Share of gain (loss) from investments in joint ventures	6.2	79,137	(15,216)	-	-
Profit (loss) before finance cost and income tax expenses		185,253	(99,193)	148,297	28,388
Finance cost		(115,108)	(111,003)	(102,554)	(103,294)
Profit (loss) before income tax expenses		70,145	(210,196)	45,743	(74,906)
Income tax income (expenses)	16	4,445	24,151	(922)	14,345
Profit (loss) for the period		74,590	(186,045)	44,821	(60,561)
Earnings per share					
Basic earnings per share					
Profit (loss) for the period		0.09	(0.22)	0.05	(0.07)

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit (loss) for the period	<u>74,590</u>	<u>(186,045)</u>	<u>44,821</u>	<u>(60,561)</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>74,590</u></u>	<u><u>(186,045)</u></u>	<u><u>44,821</u></u>	<u><u>(60,561)</u></u>

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 2018**

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Sales of units in condominium projects		3,481,781	1,294,779	1,028,267	793,685
Revenues from hotel operations		203,736	204,894	-	-
Management fee income		39,810	30,394	4,500	16,048
Rental and services income		68,527	67,721	3,600	3,600
Gain on change in fair value of investment properties		-	15,105	-	-
Other income					
Interest income		29,210	29,247	139,260	58,372
Others		50,283	72,757	27,376	22,682
Total revenues		3,873,347	1,714,897	1,203,003	894,387
Expenses					
Cost of units in condominium projects sold		2,112,286	835,661	553,129	478,442
Cost from hotel operations		147,084	143,161	-	-
Cost of management services		29,376	29,406	3,150	10,600
Cost of rental and services		23,908	19,902	-	-
Selling expenses		816,097	274,355	131,321	117,545
Administrative expenses		487,660	460,059	47,826	160,292
Reduction of cost to net realisable value (reversal) 4		(49,181)	49,181	-	-
Total expenses		3,567,230	1,811,725	735,426	766,879
Profit (loss) before share of gain (loss) from investments in joint ventures, finance cost and income tax expenses					
Share of gain (loss) from investments in joint ventures	6.2	412,753	(37,039)	-	-
Profit (loss) before finance cost and income tax expenses		718,870	(133,867)	467,577	127,508
Finance cost		(352,646)	(299,473)	(326,779)	(288,295)
Profit (loss) before income tax expenses		366,224	(433,340)	140,798	(160,787)
Income tax income (expenses)	16	22,226	56,743	(23,236)	22,699
Profit (loss) for the period		388,450	(376,597)	117,562	(138,088)
Earnings per share					
Basic earnings per share					
Profit (loss) for the period		0.45	(0.44)	0.14	(0.16)

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit (loss) for the period	<u>388,450</u>	<u>(376,597)</u>	<u>117,562</u>	<u>(138,088)</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>388,450</u></u>	<u><u>(376,597)</u></u>	<u><u>117,562</u></u>	<u><u>(138,088)</u></u>

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of cash flows

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before tax	366,224	(433,340)	140,798	(160,787)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	84,077	71,769	6,933	7,508
Write off assets	3,666	14,404	-	-
Gain on sale of assets	(1,110)	-	(1,120)	(11)
Reduction of cost to net realisable value				
- Land and construction in progress (reversal)	(49,181)	49,181	-	-
Provision for long-term employee benefits	4,421	2,444	95	1,306
Share of (gain) loss from investments in joint ventures	(412,753)	37,039	-	-
Gain on change in fair value of investment properties	-	(15,105)	-	-
Provision	4,552	41,348	3,668	39,096
Interest income	(29,210)	(29,247)	(139,260)	(58,372)
Interest expense	350,260	287,313	313,838	284,867
Profit from operating activities before changes in operating assets and liabilities	320,946	25,806	324,952	113,607
Operating assets (increase) decrease				
Trade and other receivables	(27,705)	10,914	(211,089)	707,161
Land and construction in progress	874,795	(1,473,601)	553,152	482,416
Advances for construction	(216,507)	59,120	(6,500)	4,830
Deposits for purchase of land	(126,811)	(339,368)	-	120,000
Other current assets	(16,893)	10,145	(15,049)	4,606
Other non-current assets	(379)	1,041	1,062	1,334

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Operating liabilities increase (decrease)				
Trade and other payables	2,771	67,690	6,074	(95,622)
Retention payables	(40,387)	13,935	(66,683)	(7,736)
Deposits and advances from customers	592,934	274,766	63,319	2,543
Other current liabilities	(19,761)	4,954	2,216	(14,409)
Other non-current liabilities	(1,136)	2,679	-	-
Cash flows from (used in) operating activities	1,341,867	(1,341,919)	651,454	1,318,730
Cash paid for interest expense	(497,718)	(381,080)	(280,304)	(257,742)
Cash paid for corporate income tax	(57,663)	(24,166)	(29,421)	(14,526)
Net cash from (used in) operating activities	786,486	(1,747,165)	341,729	1,046,462
Cash flows from investing activities				
Increase in pledged deposits at banks	(3,810)	-	-	-
Acquisition of investment properties	(98,916)	(219,586)	-	-
Cash received from sales of investment properties	13,000	95,000	13,000	-
Acquisition of property, plant and equipment	(130,058)	(97,597)	(490)	(2,222)
Cash received from sales of property, plant and equipmer	4,065	49,241	3,965	41
Acquisition of intangible assets	(2,976)	(14,050)	(56)	(4,847)
Cash payment for investment in subsidiaries	-	-	-	(537,500)
Cash payment for investment in joint ventures	-	(30,600)	-	(30,600)
Cash received from short-term loans to related parties	-	-	391,540	715,900
Repayment of short-term loans to related parties	-	-	(266,500)	(974,275)
Repayment of short-term loans to unrelated parties	-	(35,000)	-	-
Cash received from long-term loans to related parties	480,947	-	480,947	-
Repayment of long-term loans to related parties	(142,800)	(193,800)	(142,800)	(193,800)
Interest income	73,230	4,796	96,626	9,748
Net cash from (used in) investing activities	192,682	(441,596)	576,232	(1,017,555)

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and long-term loans from financial institutions	(3,985)	252,271	25	9,909
Decrease in bills of exchange	(884,000)	(1,107,001)	(884,000)	(1,217,000)
Cash received from short-term loans from related parties	150,000	45,000	251,800	159,000
Repayment of short-term loans from related parties	(234,000)	-	(398,000)	(5,000)
Cash received from long-term loans from related parties	-	50,000	-	50,000
Repayment of liabilities under finance lease agreements	(5,289)	(2,269)	(356)	(488)
Cash received from short-term debentures	810,000	510,000	810,000	510,000
Repayment of short-term debentures	(510,000)	-	(510,000)	-
Cash received from long-term debentures	599,400	1,568,810	599,400	1,480,630
Repayment of long-term debentures	(150,000)	(2,122,000)	(150,000)	(2,122,000)
Cash received from long-term loans from financial institutions	2,313,002	3,365,806	508,017	1,462,991
Repayment of long-term loans from financial institutions	(3,201,145)	(603,507)	(1,142,182)	(370,016)
Net cash from (used in) financing activities	(1,116,017)	1,957,110	(915,296)	(41,974)
Net increase (decrease) in cash and cash equivalents	(136,849)	(231,651)	2,665	(13,067)
Cash and cash equivalents at beginning of period	716,715	750,645	97,912	173,921
Cash and cash equivalents at end of period	579,866	518,994	100,577	160,854
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Asset purchased under financial lease	15,703	3,193	-	-
Accrued project cost	24,772	17,515	-	-
Transferred investment properties to land and construction in progress	-	11,085	-	-
Transferred property, plant and equipment to investment properties	-	9,248	-	9,248
Accounts payable for investments in joint ventures	-	510	-	510

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements						
	Equity attributable to owners of the Company				Other component of equity		
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		income	Total other components of shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets		
Balance as at 1 January 2017	860,412	875,267	105,000	1,987,949	134,483	134,483	3,963,111
Total comprehensive income for the period	-	-	-	(376,597)	-	-	(376,597)
Balance as at 30 September 2017	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>1,611,352</u>	<u>134,483</u>	<u>134,483</u>	<u>3,586,514</u>
Balance as at 1 January 2018	860,412	875,267	105,000	1,800,921	143,381	143,381	3,784,981
Total comprehensive income for the period	-	-	-	388,450	-	-	388,450
Balance as at 30 September 2018	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,189,371</u>	<u>143,381</u>	<u>143,381</u>	<u>4,173,431</u>

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2017	860,412	875,267	105,000	2,953,780	4,794,459
Total comprehensive income for the period	-	-	-	(138,088)	(138,088)
Balance as at 30 September 2017	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,815,692</u>	<u>4,656,371</u>
Balance as at 1 January 2018	860,412	875,267	105,000	2,412,250	4,252,929
Total comprehensive income for the period	-	-	-	117,562	117,562
Balance as at 30 September 2018	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,529,812</u>	<u>4,370,491</u>
					-

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

Major Development Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2018

1. General information

1.1 The Company's general information

Major Development Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company and its subsidiaries are principally engaged in the development of properties for sales, hotel business and properties rental and service business. The registered office of the Company is at 141 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua, Wattana, Bangkok.

1.2 Basis for the preparation of interim financial statements

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

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

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

1.3 Basis of consolidation

These consolidated interim financial statements included the financial statements of Major Development Public Company Limited and its subsidiaries, and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017, with the same composition of the subsidiaries in the current period.

1.4 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Trade receivables - related parties</u>	-	-	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Past due				
Up to 3 months	40,570	16,488	1,442	-
3 - 6 months	2,765	2,525	-	-
6 - 12 months	510	249	-	-
Over 12 months	37	305	-	10
Total trade receivables - unrelated parties	43,882	19,567	1,442	10
Total trade receivables	43,882	19,567	1,442	10
<u>Other receivables</u>				
Other receivables and advances - related parties	22,795	21,694	1,189,923	977,248
Other receivables and advances - unrelated parties	19,241	16,952	3,897	6,915
Interest receivables - related parties	111,455	155,475	257,232	214,598
Total other receivables	153,491	194,121	1,451,052	1,198,761
Total trade and other receivables	197,373	213,688	1,452,494	1,198,771

4. Land and construction in progress

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Condominium/commercial buildings for sales	5,541,264	5,453,005	1,998,605	2,551,757
Land cost	3,830,660	4,665,118	-	-
Construction in progress	1,607,682	1,635,008	-	-
Capitalised interest	298,986	223,990	-	-
Total	11,278,592	11,977,121	1,998,605	2,551,757
Less: Reduction of cost to net realisable value	-	(49,181)	-	-
Net	11,278,592	11,927,940	1,998,605	2,551,757

(Unaudited but reviewed)

- 4.1 On 8 April 2017, a subsidiary entered into a contract with a local company (“Buyer”) to purchase and to sell land and commercial buildings with 16 units at a price of Baht 75 million. The buyer has to pay a deposit of Baht 5 million on the agreement date, and the remaining payment will be made on the date of ownership transfer (within 1 year from the agreement date). The selling price is lower than the cost of commercial buildings including the related selling expenses. Therefore, the subsidiary recorded an allowance for diminution in value amounting to Baht 49 million which was presented as reduction of cost to net realisable value in the first quarter 2017 income statement.

During the first quarter 2018, the Buyer cancelled the contract to purchase and to sell land and commercial building made with the subsidiary because the subsidiary was unable to comply with certain condition as specified in the contract. In addition, the subsidiary assessed the realisable value of the land and commercial buildings and found that their market price had increased. Therefore, the subsidiary reversed all allowance for diminution in value which was presented as reduction of cost to net realisable value in the first quarter 2018 income statement.

- 4.2 Land and construction thereon of condominium projects with carrying values as at 30 September 2018 amounting to Baht 10,918 million (Separate financial statements: Baht 1,883 million) (31 December 2017: Consolidated financial statements: Baht 11,579 million, Separate financial statements: Baht 2,418 million) have been mortgaged with local commercial banks as collateral against credit facilities received from banks.
- 4.3 During the nine-month period ended 30 September 2018, subsidiaries capitalised interest amounting to Baht 178 million (2017: Baht 117 million) to the costs of land and construction in progress. The capitalisation rates of interest are based on the borrowing costs of the specific loans, as described in Notes 12, 13 and 14 to the financial statements.
- 4.4 Additional information of the Company’s and its subsidiaries’ projects are as follows: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Total estimated project value	51,526	53,405	26,369	27,955
Sales with signed agreements	38,516	35,358	22,835	23,379
The ratio of sales with signed agreements to total estimated project value (%)	75	66	87	84
Total value of contracts signed not yet recognised as income	9,747	7,983	568	479

(Unaudited but reviewed)

5. Land held for development

On 29 October 2018, a subsidiary entered into an agreement to sell land with a local company (“Buyer”) at a profitable selling price. The subsidiary received a payment for the land and assigned the land ownership to the buyer on the agreement date.

6. Investments in joint ventures

6.1 Detail of investments in joint ventures:

(Unit: Thousand Baht)

Consolidated financial statements								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
			(%)	(%)				
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	299,552	-
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	60,277	61,730
MJD-JV1 Company Limited	Development of properties for sales	Thailand	51	51	510	510	-	-
Total					94,859	94,859	359,829	61,730

a) Major Residences Company Limited

As at 31 December 2017, the Company presented loss on investment in joint ventures amounting to Baht 139 million based on equity method, offset with loans to joint ventures in the consolidated financial statements.

b) MJD-JV1 Company Limited

As at 30 September 2018, the Company presented loss on investment in joint ventures amounting to Baht 26 million (31 December 2017: Baht 1 million) based on equity method, offset with loans to joint ventures in the consolidated financial statements.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
			(%)	(%)						
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	-	-	12,750	12,750
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	(19,869)	(19,869)	61,730	61,730
MJD-JV1 Company Limited	Development of properties for sales	Thailand	51	51	510	510	-	-	510	510
Total					<u>94,859</u>	<u>94,859</u>	<u>(19,869)</u>	<u>(19,869)</u>	<u>74,990</u>	<u>74,990</u>

6.2 Share of gain (loss)

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company recognised its share of gain (loss) from investments in the joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
M J A I Development Company Limited*	-	(10)	-	(162)
Major Residences Company Limited	90,560	850	439,278	(29,448)
TMDC Construction Company Limited	(720)	(15,657)	(1,453)	(7,030)
MJD-JV1 Company Limited	<u>(10,703)</u>	<u>(399)</u>	<u>(25,072)</u>	<u>(399)</u>
Total	<u>79,137</u>	<u>(15,216)</u>	<u>412,753</u>	<u>(37,039)</u>

* On 22 December 2017, the Company purchased all shares held by foreign jointly entities at 49% interest at a price of Baht 2. Consequently, all share capital are held by the Company. As at 31 December 2017, the investment is accounted for investments in subsidiaries.

(Unaudited but reviewed)

7. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method-net	
	30	31	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December	September	December
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			Percentage	Percentage						
Major Development Hotels and Resorts Company Limited	400,000	400,000	100	100	399,999	399,999	-	-	399,999	399,999
Major Development Residences Company Limited	100,000	100,000	100	100	99,999	99,999	-	-	99,999	99,999
MJR Development Company Limited	600,000	600,000	100	100	600,000	600,000	(363,623)	(363,623)	236,377	236,377
MJP Property Company Limited	600,000	600,000	100	100	600,000	600,000	-	-	600,000	600,000
MJC Development Company Limited	600,000	600,000	100	100	600,000	600,000	-	-	600,000	600,000
MJD Residences Company Limited	587,500	587,500	100	100	587,500	587,500	-	-	587,500	587,500
Major Development Property Partners Company Limited	2,750	2,750	100	100	2,750	2,750	-	-	2,750	2,750
Major Development Estate Company Limited	1,520,000	1,520,000	100	100	1,520,000	1,520,000	-	-	1,520,000	1,520,000
Major Development Hospitality Company Limited	550,000	550,000	100	100	550,000	550,000	-	-	550,000	550,000
Major Development Property Consultant Company Limited	8,000	8,000	100	100	7,999	7,999	-	-	7,999	7,999
M J A I Development Company Limited	25,000	25,000	100	100	19,002	19,002	-	-	19,002	19,002
Total					<u>4,987,249</u>	<u>4,987,249</u>	<u>(363,623)</u>	<u>(363,623)</u>	<u>4,623,626</u>	<u>4,623,626</u>

On 31 May 2018, an extraordinary general meeting of shareholders of M J A I Development Co., Ltd. ("subsidiary") approved the dissolution of the Company, and a subsidiary registered its dissolution with the Ministry of Commerce on 5 June 2018. Currently, a subsidiary is in the process of liquidation.

8. Investment properties

Movements of the investment properties account during the nine-month period ended 30 September 2018 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	2,439,047	745,434
Additions during period	96,568	-
Capitalised interest	6,838	-
Adjustment	(2,293)	-
Disposals	(11,435)	(11,435)
Balance as at 30 September 2018	<u>2,528,725</u>	<u>733,999</u>

(Unaudited but reviewed)

During the nine-month period ended 30 September 2018, subsidiaries capitalised interest amounted to Baht 7 million (2017: None) to the cost of construction in progress. The capitalisation rates of interest were MLR.

The fair value of the land awaiting development for rental projects and condominium units have been determined based on market prices, while that of land and office building for rent has been determined using the income approach.

The Company and its subsidiaries have pledged investment properties with carrying values as at 30 September 2018 amounting to Baht 2,183 million (Separate financial statements: Baht 652 million) (31 December 2017: Consolidated financial statements: Baht 1,837 million, Separate financial statements: Baht 652 million) with commercial banks as collateral against credit facilities received from banks.

9. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2018 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	2,328,203	44,563
Additions during period - cost	155,136	490
Capitalised interest	4,149	-
Disposals	(4,520)	(4,410)
Write-off	(1,798)	-
Adjustment	425	15
Depreciation for the period	(80,161)	(5,407)
Balance as at 30 September 2018	<u>2,401,434</u>	<u>35,251</u>

During the nine-month period ended 30 September 2018, subsidiaries capitalised interest of Baht 4 million (2017: None) to the cost of construction in progress. The capitalisation rates of interest were MLR.

Land and building with carrying values as at 30 September 2018 amounting to Baht 2,245 million (Separate financial statements: Baht 11 million) (31 December 2017: Consolidated financial statements: Baht 2,180 million, Separate financial statements: Baht 12 million) have been mortgaged with local commercial banks as collateral against credit facilities received from banks.

(Unaudited but reviewed)

10. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related persons and 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: Thousand Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	37,810	10,774	6.00% to 7.50% per annum (2017: 2.50% to 5.78% per annum)
Land rental income	-	-	1,200	1,200	Cost plus margin
Interest expense (some charged to project cost)	-	-	1,535	1,762	5.08% to 7.50% per annum (2017: 5.08% per annum)
Rental and utilities expenses	-	-	86	1,936	Cost plus margin
Other expenses	-	-	25	108	Agreed basis
Commission expenses	-	-	495	1,371	Percentage of revenue
<u>Transactions with related persons and parties</u>					
Interest income	6,711	9,284	6,711	9,284	5.45% to 5.78% per annum
Management fee income	4,500	4,500	-	4,500	Cost plus margin
Rental and services income	-	915	-	-	Cost plus margin
Interest expenses	1,719	810	1,719	810	4.30% to 6.00% per annum

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	111,435	32,474	6.00% to 7.50% per annum (2017: 2.50% to 5.78% per annum)
Land rental income	-	-	3,600	3,600	Cost plus margin
Interest expense (some charged to project cost)	-	-	6,331	1,791	5.08% to 7.50% per annum (2017: 2.50% to 5.08% per annum)
Rental and utilities expenses	-	-	867	5,652	Cost plus margin
Other expenses	-	-	144	4,538	Agreed basis
Commission expenses	-	-	700	3,878	Percentage of revenue

(Unaudited but reviewed)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	
Transactions with related persons and parties					
Interest income	27,455	24,452	27,455	24,452	5.45% to 5.78% per annum
Management fee income	13,500	15,448	4,500	15,448	Cost plus margin
Rental and services income	-	2,745	-	-	Cost plus margin
Sales of property, plant and equipment	-	49,200	-	-	Close to the prices charged to other customers of the same condominium project
Interest expenses	5,370	1,114	5,370	1,114	4.30% to 6.00% per annum

As at 30 September 2018 and 31 December 2017, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade and other receivables - related parties (Note 3)				
Subsidiaries	-	-	1,314,120	1,015,634
Joint ventures	134,250	177,169	133,035	176,212
Total other receivables - related parties	134,250	177,169	1,447,155	1,191,846
Trade and other payables - related parties				
Subsidiaries	-	-	154,377	178,609
Joint ventures	10,992	1,392	3,392	-
Related persons (Director and person who is related to management)	46,890	2,860	46,890	2,117
Total trade and other payables - related parties	57,882	4,252	204,659	180,726

Loans to related parties and loans from related parties

As at 30 September 2018 and 31 December 2017, the balances of loans between the Company and those related parties and the movements are as follows:

Short-term loans to	Interest rate (% per annum)	Principal repayment	(Unit: Thousand Baht)			
			Separate financial statements		Balance as at 30 September 2018	
			Balance as at 31 December 2017	Increase		Decrease
Major Development Estate Company Limited	7.50	At call	1,981,815	191,000	(376,040)	1,796,775
Major Development Property Consultants Company Limited	6.00	At call	10,200	-	-	10,200
Major Development Hospitality Company Limited	7.50	At call	-	75,500	(15,500)	60,000
Total			1,992,015	266,500	(391,540)	1,866,975

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements						
Long-term loans to	Interest rate (% per annum)	Principal repayment	Balance as at			Balance as at
			31 December 2017	Increase	Decrease	30 September 2018
Major Residences Company Limited	MLR - 0.75	Within September 2021	664,547	-	(480,947)	183,600
MJD-JV1 Company Limited	MLR - 0.75 and 1.25	Within August 2021 and April 2022	61,200	142,800	-	204,000
Total			725,747	142,800	(480,947)	387,600
Less: Loss reserve from investment in joint ventures			(140,598)	(25,072)	139,726	(25,944)
Total			585,149	117,728	(341,221)	361,656
Less: Current portion			(480,947)			-
Long-term portion			104,202			361,656

(Unit: Thousand Baht)

Separate financial statements						
Long-term loans to	Interest rate (% per annum)	Principal repayment	Balance as at			Balance as at
			31 December 2017	Increase	Decrease	30 September 2018
Major Residences Company Limited	MLR - 0.75	Within September 2021	664,547	-	(480,947)	183,600
MJD-JV1 Company Limited	MLR - 0.75 and 1.25	Within August 2021 and April 2022	61,200	142,800	-	204,000
Total			725,747	142,800	(480,947)	387,600
Less: Current portion			(480,947)			-
Long-term portion			244,800			387,600

(Unit: Thousand Baht)

Consolidated financial statements						
Short-term loans from	Interest rate (% per annum)	Principal repayment	Balance as at			Balance as at
			31 December 2017	Increase	Decrease	30 September 2018
Directors	4.30	At call	84,000	150,000	(234,000)	-
Total			84,000	150,000	(234,000)	-

(Unit: Thousand Baht)

Separate financial statements						
Short-term loans from	Interest rate (% per annum)	Principal repayment	Balance as at			Balance as at
			31 December 2017	Increase	Decrease	30 September 2018
MJD Residences Company Limited	5.45	At call	128,200	56,800	(185,000)	-
Director	4.30	At call	18,000	25,000	(43,000)	-
Major Development Estate Company Limited	7.50	At call	-	170,000	(170,000)	-
Total			146,200	251,800	(398,000)	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements						
Long-term loan from	Interest rate (% per annum)	Principal repayment	Balance as at	Increase	Decrease	Balance as at
			31 December 2017			30 September 2018
Director	6.00	Within May 2019	50,000	-	-	50,000
Total			50,000	-	-	50,000
Less: Current portion			-			(50,000)
Long-term portion			50,000			-

(Unit: Thousand Baht)

Separate financial statements						
Long-term loan from	Interest rate (% per annum)	Principal repayment	Balance as at	Increase	Decrease	Balance as at
			31 December 2017			30 September 2018
Director	6.00	Within May 2019	50,000	-	-	50,000
Total			50,000	-	-	50,000
Less: Current portion			-			(50,000)
Long-term portion			50,000			-

Directors' and management's remuneration

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company and its subsidiaries had employee benefit expenses to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
	Short-term employee benefits	29.9	27.9	91.8
Post-employment benefits	0.5	0.3	1.4	1.3
Total	30.4	28.2	93.2	85.5

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
	Short-term employee benefits	5.2	10.8	15.4
Post-employment benefits	0.1	0.1	0.3	0.4
Total	5.3	10.9	15.7	32.4

(Unaudited but reviewed)

Guarantee obligations with related parties

The Company has obligations in respect of guarantees of the following loans of subsidiaries and joint ventures obtained from banks and unrelated parties, for which no guarantee fee has been charged.

(Unit: Million Baht)

Subsidiaries	Credit guarantees
Major Development Hotels and Resorts Company Limited	410
MJR Development Company Limited	200
MJP Property Company Limited	465
MJC Development Company Limited	744
MJD Residences Company Limited	1,674
Major Development Estate Company Limited	8,747
Major Development Hospitality Company Limited	2,819
MJ One Company Limited	185
Joint venture	Credit guarantees
Major Residences Company Limited	3,149
MJD-JV1 Company Limited	1,462

11. Bank overdrafts

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	MOR	MOR				
Bank overdrafts			9,879	13,864	9,879	9,854
Total			9,879	13,864	9,879	9,854

Bank overdrafts are secured by the mortgage of land and construction in progress, investment properties and by the guarantees of the Company and the Company's directors.

12. Bills of exchange

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Bills of exchange - Face value			260,000	1,144,000	150,000	1,034,000
Less: Prepaid interest expenses	6.50 - 7.50	6.50 - 7.50	(1,759)	(23,236)	(473)	(21,821)
Bills of exchange - net			258,241	1,120,764	149,527	1,012,179
Less: Bills of exchange - portion due within one year			(258,241)	(1,012,179)	(149,527)	(1,012,179)
Bills of exchange - portion due over one year			-	108,585	-	-

(Unaudited but reviewed)

Bills of exchange have repayment schedule from October 2018 to June 2019. Bills of exchange of a subsidiary are secured by the mortgage of all lands in Chic District Ram 53 project excluding construction and by the guarantees of the Company and the Company's directors.

13. Debentures

The Company issued unsecured and unsubordinated bearer debentures to be offered to institutional investor and/or high net worth investors with the term of interest payment on quarterly basis. The issuance of such debentures is a part of a total issue of Baht 10,000 million which was approved by Annual General Meeting of the shareholder on 27 April 2016 and 27 April 2017, respectively.

The debentures contain term of issue relating to the transfer or disposal of assets, no declaration and payment of dividend if debenture issuer makes default in principal and/or interest repayment and the maintenance of a certain financial covenant that, among other things, require the Company to maintain a debt to equity ratio not exceeding 3.5:1 for the consolidated financial statements. Debt is defined as all interest bearing debt and excludes loan from related parties and equity is defined as shareholder's equity.

The outstanding balance of short-term debentures as at 30 September 2018 and 31 December 2017 are detailed below.

(Unit: Million Baht)

No.	Principal repayment	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
			30 September 2018	31 December 2017	30 September 2018	31 December 2017
1/2017	June 2018	5.75	-	510	-	510
1/2018	February 2019	6.35	510	-	510	-
2/2018	March 2019	6.35	300	-	300	-
Total			810	510	810	510

(Unaudited but reviewed)

The outstanding balance of long-term debentures as at 30 September 2018 and 31 December 2017 are detailed below.

(Unit: Million Baht)

Year of issuance	Interest rate (% per annum)		Terms (years)		Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017	2018	2017
2015	4.90	4.90	-	3	-	150	-	150
2016	4.50 - 5.40	4.50 - 5.40	2 - 3	2 - 3	2,150	2,150	2,150	2,150
2017	6.00 - 7.50	6.00 - 7.50	1.5 - 2	1.5 - 2	1,890	1,890	1,800	1,800
2018	5.75 - 7.50	-	2	-	599	-	599	-
Total long-term debentures, at face value					4,639	4,190	4,549	4,100
Less: Unamortised costs relating to the issuance of the debentures					(22)	(19)	(21)	(18)
Long-term debentures - net					4,617	4,171	4,528	4,082
Less: Long-term debentures - portion due within one year					(3,738)	(300)	(3,649)	(300)
Debentures - portion due over one year					879	3,871	879	3,782

Debenture which was issued by a subsidiary are secured by the mortgage of all lands in Chic District Ram 53 project excluding construction and by the guarantees of the Company and the Company's directors.

14. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Long-term loans from financial institutions	5,491,752	6,379,895	534,629	1,168,794
Less: current portion	(1,725,206)	(2,915,684)	(363,874)	(496,050)
Long-term portion	3,766,546	3,464,211	170,755	672,744

Movements of the long-term loans account during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	6,379,895	1,168,794
Add: Additional borrowings	2,313,002	508,017
Less: Repayment	(3,201,145)	(1,142,182)
Balance as at 30 September 2018	5,491,752	534,629

(Unaudited but reviewed)

Long-term loans of the Company and its subsidiaries have principal repayment conditions with the rates stipulated in the loan agreements when the collaterals mortgaged with the banks are redeemed. Interest is charged at rate based on MLR. Full settlement of these loans is to be made within 2018 - 2030.

As at 30 September 2018, the Company and its subsidiaries had credit facilities which have not drawn down of Baht 5,936 million (Separate financial statements: Baht 119 million) (31 December 2017: Consolidated financial statements: Baht 6,242 million, Separate financial statements: Baht 362 million).

The Company and its subsidiaries have mortgaged the land and construction thereon of condominium projects, investment properties, land held for development, the land and buildings and condominium units, with banks to secure the long-term loans. In addition, long-term loans of the Company are guaranteed by the Company's directors. Long-term loan of subsidiaries are guaranteed by the Company.

Certain loan agreements contain covenants that, among other things, require the Company and subsidiaries to maintain a debt to equity ratio not exceeding 3:1 for the consolidated financial statement and 2:1 for the separate financial statement. Debt is defined all interest bearing debt and equity includes shareholder's equity and loan from related parties.

15. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Liabilities under finance lease agreements	21,443	6,929	-	394
Less: Deferred interest expense	(2,316)	(683)	-	(38)
Total	19,127	6,246	-	356
Less: Portion due within one year	(4,705)	(1,609)	-	(195)
Long-term portion	14,422	4,637	-	161

The Company and its subsidiaries have entered into finance lease agreements with leasing companies for rental of vehicles, equipment and computer software for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 4 and 6 years.

(Unaudited but reviewed)

As at 30 September 2018 and 31 December 2017, future minimum lease payments of the Company and its subsidiaries required under the finance lease agreements were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements					
	As at 30 September 2018			As at 31 December 2017		
	Less than 1 year	1 - 6 years	Total	Less than 1 year	1 - 6 years	Total
Future minimum lease payments	5,726	15,717	21,443	1,971	4,958	6,929
Deferred interest expense	(1,021)	(1,295)	(2,316)	(362)	(321)	(683)
Present value of future minimum lease payments	4,705	14,422	19,127	1,609	4,637	6,246

(Unit: Thousand Baht)

	Separate financial statements					
	As at 30 September 2018			As at 31 December 2017		
	Less than 1 year	1 - 6 years	Total	Less than 1 year	1 - 6 years	Total
Future minimum lease payments	-	-	-	225	169	394
Deferred interest expense	-	-	-	(30)	(8)	(38)
Present value of future minimum lease payments	-	-	-	195	161	356

16. 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 and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month period ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	(5,005)	-	(5,983)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	560	(24,151)	6,905	(14,345)
Income tax expenses (income) reported in the statements of income	(4,445)	(24,151)	922	(14,345)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month period ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	19,220	49	18,242	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(41,446)	(56,792)	4,994	(22,699)
Income tax expenses (income) reported in the statements of income	<u>(22,226)</u>	<u>(56,743)</u>	<u>23,236</u>	<u>(22,699)</u>

17. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have two reportable segments as follows:

- Development of properties for sales business
- Hotel business and properties rental and service business

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Inter-segment revenues are eliminated on consolidation.

(Unaudited but reviewed)

Revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017 are as follows.

(Unit: Million Baht)

For the three-month periods ended 30 September										
	Development of properties for sales		Hotel business and properties rental and service business		Others		Elimination		Consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Revenue from external customers	1,322	386	99	94	38	13	(13)	(10)	1,446
Segment operating profit (loss)	159	(85)	17	9	17	(45)	(26)	8	167	(113)
Unallocated income and expenses:										
Finance cost									(115)	(111)
Other income									19	14
Income tax income (expenses)									4	24
Profit (loss) for the period									75	(186)

(Unit: Million Baht)

For the nine-month periods ended 30 September										
	Development of properties for sales		Hotel business and properties rental and service business		Others		Elimination		Consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Revenue from external customers	3,482	1,316	291	293	55	51	(34)	(41)	3,794
Segment operating profit (loss)	594	(244)	42	45	13	(33)	(9)	1	640	(231)
Unallocated income and expenses:										
Finance cost									(353)	(299)
Other income									79	96
Income tax income (expenses)									22	57
Profit (loss) for the period									388	(377)

(Unaudited but reviewed)

18. Commitments and contingent liabilities

18.1 Capital commitments

As at 30 September 2018 and 31 December 2017, the Company and its subsidiaries had capital commitments as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Construction costs of condominium projects and service agreements	3,486	1,048	1	1
The purchases of land agreements	1,198	970	-	-

18.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of space and related services. The terms of the agreements are generally between 1 to 15 years. Future minimum lease payments required under these operating leases contracts were as follows.

(Unit: Million Baht)

Payable	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
In up to 1 year	4	8	-	5
In over 1 and up to 5 years	9	4	-	-
In over 5 years	10	10	-	-

(Unaudited but reviewed)

18.3 Bank guarantees

As at 30 September 2018 and 31 December 2017, there were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Bank guarantee for electricity use	5	9	2	6
Bank guarantee for public utility	34	12	-	-
Bank guarantee for payments due to creditors	1	-	-	-
Total	40	21	2	6

As at 30 September 2018, the Company and its subsidiaries placed deposits at banks of Baht 21.0 million (Separate financial statements: Baht 5.7 million) (31 December 2017: Consolidated financial statements: Baht 17.2 million, Separate financial statements: Baht 5.7 million) and mortgaged the land and construction of condominium projects with the banks to secure the issuance of bank guarantees.

18.4 Long-term service commitment

A subsidiary entered into management agreement with a local company whereby the latter will provide the hotel management services to the subsidiary. The term of the management agreement is for 10 years, starting from the hotel renovation is completed. Under the terms of the above agreement, the subsidiary is committed to pay a management fee and incentive fee, at the rates indicated in the agreements.

18.5 Litigations

As at 30 September 2018, The Company and its subsidiaries were sued by third parties on ground of seeking refunds of payments for condominiums, payment of construction expenses and a joint defendant with the constructor for damaged properties in 33 cases, claiming damages of Baht 371 million. Currently, the cases are being investigated. However, the Company's management and its legal consultant have determined the possible losses from the litigations and recorded provision amounting to Baht 54 million in its accounts.

19. Approval of interim financial statements

The interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2018.