

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 2019

## **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 2019, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the 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 2019

Major Development Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2019

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	Note	30 September 2019	31 December 2018	1 January 2018	30 September 2019	31 December 2018	1 January 2018
		(Unaudited but reviewed)	(Restated)		(Unaudited but reviewed)	(Restated)	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents		398,736	816,407	694,993	75,749	501,538	82,220
Trade and other receivables	3, 9	102,137	93,038	213,687	1,599,989	1,473,543	1,198,771
Short-term loans to related parties	9	-	-	-	2,967,575	2,237,975	1,992,015
Current portion of long-term loans to related parties		-	-	480,947	-	-	480,947
Land and construction in progress	4	10,664,067	11,121,330	11,927,940	1,037,224	1,782,322	2,551,757
Advances for construction		422,465	629,300	391,174	53,684	117,693	114,317
Deposits for purchase of land		223,961	198,861	172,050	37,077	37,077	37,077
Cost to obtain contracts with customers		502,112	593,018	142,175	2,449	25,480	1,550
Other current assets		196,327	183,130	159,502	42,834	35,223	27,133
<b>Total current assets</b>		<b>12,509,805</b>	<b>13,635,084</b>	<b>14,182,468</b>	<b>5,816,581</b>	<b>6,210,851</b>	<b>6,485,787</b>
<b>Non-current assets</b>							
Pledged deposits at banks	17.3	61,089	49,383	38,892	17,656	17,599	21,362
Investments in subsidiaries	5	-	-	-	4,599,126	4,534,126	4,623,626
Investments in joint ventures	6	138,375	358,642	61,731	62,990	62,990	74,991
Long-term loans to related parties	9	383,508	374,356	140,204	418,200	387,600	244,800
Investment properties	7	3,323,269	2,615,867	2,439,047	773,258	788,688	745,434
Land held for development		-	-	335,332	-	-	-
Property, plant and equipment	8	2,458,793	2,507,007	2,328,203	33,538	33,761	44,563
Intangible assets		39,724	40,680	24,240	4,306	5,796	7,582
Deposits for purchase of land	17.5	75,000	75,000	-	-	-	-
Deferred tax assets		153,129	138,480	107,385	24,202	23,234	50,166
Other non-current assets		11,651	12,990	13,199	6,910	9,437	10,500
<b>Total non-current assets</b>		<b>6,644,538</b>	<b>6,172,405</b>	<b>5,488,233</b>	<b>5,940,186</b>	<b>5,863,231</b>	<b>5,823,024</b>
<b>Total assets</b>		<b>19,154,343</b>	<b>19,807,489</b>	<b>19,670,701</b>	<b>11,756,767</b>	<b>12,074,082</b>	<b>12,308,811</b>

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 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		30 September 2019	31 December 2018	1 January 2018	30 September 2019	31 December 2018	1 January 2018
		(Unaudited but reviewed)	(Restated)		(Unaudited but reviewed)	(Restated)	
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Bank overdrafts	10	4,960	19,425	13,864	4,960	-	9,854
Short-term bills of exchange	11	315,632	-	-	315,632	-	-
Current portion of bills of exchange		-	-	1,012,179	-	-	1,012,179
Trade and other payables	9	1,060,314	1,334,302	1,404,153	449,476	756,806	449,876
Current portion of long-term loans from financial institutions	13	1,286,510	548,766	2,915,684	52,009	-	496,050
Short-term debentures	12	449,391	810,000	510,000	449,391	810,000	510,000
Current portion of long-term debentures	12	1,991,846	3,889,139	300,000	1,991,846	3,799,618	300,000
Short-term loans from related parties	9	20,000	-	84,000	-	-	146,200
Current portion of long-term loans from related party	9	-	50,000	-	-	50,000	-
Current portion of liabilities under finance lease agreements	14	6,029	5,649	1,609	623	-	195
Income tax payable		47,345	20,569	-	-	3,439	-
Retention payables		308,822	342,824	401,179	61,876	121,480	194,318
Deposits and advances from customers		1,677,993	1,810,662	1,215,764	156,732	231,167	178,971
Other current liabilities		204,853	196,746	174,495	160,012	145,533	119,787
<b>Total current liabilities</b>		<b>7,373,695</b>	<b>9,028,082</b>	<b>8,032,927</b>	<b>3,642,557</b>	<b>5,918,043</b>	<b>3,417,430</b>
<b>Non-current liabilities</b>							
Long-term bills of exchange		-	-	108,585	-	-	-
Long-term debentures	12	3,261,072	1,677,477	3,870,933	3,261,072	1,677,477	3,782,483
Long-term loans from financial institutions	13	2,759,303	3,666,116	3,464,211	-	-	672,744
Long-term loans from related parties		-	-	50,000	-	-	50,000
Liabilities under finance lease agreements	14	12,123	11,944	4,637	2,021	-	161
Provision for long-term employee benefits		32,797	29,739	31,135	4,716	4,322	10,841
Deferred tax liabilities		268,162	286,771	150,845	131,181	136,215	120,983
Other non-current liabilities		23,788	21,825	22,706	-	-	-
<b>Total non-current liabilities</b>		<b>6,357,245</b>	<b>5,693,872</b>	<b>7,703,052</b>	<b>3,398,990</b>	<b>1,818,014</b>	<b>4,637,212</b>
<b>Total liabilities</b>		<b>13,730,940</b>	<b>14,721,954</b>	<b>15,735,979</b>	<b>7,041,547</b>	<b>7,736,057</b>	<b>8,054,642</b>

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 2019

(Unit: Thousand Baht)

Note	Consolidated financial statements			Separate financial statements		
	30 September 2019	31 December 2018	1 January 2018	30 September 2019	31 December 2018	1 January 2018
	(Unaudited but reviewed)	(Restated)		(Unaudited but reviewed)	(Restated)	
<b>Shareholders' equity</b>						
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	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	860,412	860,412
Premium on ordinary shares	875,267	875,267	875,267	875,267	875,267	875,267
Retained earnings						
Appropriated - statutory reserve	105,000	105,000	105,000	105,000	105,000	105,000
Unappropriated	3,390,451	3,052,583	1,950,662	2,874,541	2,497,346	2,413,490
Other components of shareholders' equity	192,273	192,273	143,381	-	-	-
<b>Total shareholders' equity</b>	<b>5,423,403</b>	<b>5,085,535</b>	<b>3,934,722</b>	<b>4,715,220</b>	<b>4,338,025</b>	<b>4,254,169</b>
<b>Total liabilities and shareholders' equity</b>	<b>19,154,343</b>	<b>19,807,489</b>	<b>19,670,701</b>	<b>11,756,767</b>	<b>12,074,082</b>	<b>12,308,811</b>
	-	-	-	-	-	-

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 2019**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018 (Restated)	2019	2018 (Restated)
<b>Revenues</b>					
Sales of units in condominium projects		1,768,895	1,325,881	410,305	408,917
Revenues from hotel operations		67,348	62,396	-	-
Management fee income		23,233	17,129	-	-
Rental and services income		24,226	23,642	1,218	1,200
Other income					
Dividend income from joint venture	6.2	-	-	71,397	-
Interest income		5,570	6,848	51,638	44,522
Others		92,825	6,875	74,773	403
<b>Total revenues</b>		<b>1,982,097</b>	<b>1,442,771</b>	<b>609,331</b>	<b>455,042</b>
<b>Expenses</b>					
Cost of units in condominium projects sold		1,081,235	830,788	258,262	248,151
Cost from hotel operations		50,697	50,714	-	-
Cost of management services		17,195	9,838	-	-
Cost of rental and services		7,739	7,902	-	-
Selling expenses		275,214	150,250	86,028	38,545
Administrative expenses		200,037	166,689	37,930	14,708
<b>Total expenses</b>		<b>1,632,117</b>	<b>1,216,181</b>	<b>382,220</b>	<b>301,404</b>
<b>Profit before share of gain (loss) from investments in joint ventures, finance cost and income tax expenses</b>					
		349,980	226,590	227,111	153,638
Share of gain (loss) from investments in joint ventures	6.2	(12,115)	83,101	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>337,865</b>	<b>309,691</b>	<b>227,111</b>	<b>153,638</b>
Finance cost		(107,561)	(115,108)	(109,887)	(102,554)
<b>Profit before income tax expenses</b>		<b>230,304</b>	<b>194,583</b>	<b>117,224</b>	<b>51,084</b>
Income tax expenses	15	(29,475)	(19,651)	(5,535)	(1,991)
<b>Profit for the period</b>		<b>200,829</b>	<b>174,932</b>	<b>111,689</b>	<b>49,093</b>
<b>Earnings per share</b>					
Basic earnings per share					
Profit for the period		0.23	0.20	0.13	0.06

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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)
<b>Profit for the period</b>	<u>200,829</u>	<u>174,932</u>	<u>111,689</u>	<u>49,093</u>
<b>Other comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>200,829</u></u>	<u><u>174,932</u></u>	<u><u>111,689</u></u>	<u><u>49,093</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 2019**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018 (Restated)	2019	2018 (Restated)
<b>Revenues</b>					
Sales of units in condominium projects		4,154,147	3,459,940	1,266,444	1,016,023
Revenues from hotel operations		226,850	203,736	-	-
Management fee income		65,603	39,810	-	4,500
Rental and services income		70,512	68,527	3,654	3,600
Other income					
Dividend income from joint venture	6.2	-	-	402,887	-
Interest income		17,751	29,210	149,309	139,260
Others		129,695	50,283	85,868	27,376
<b>Total revenues</b>		<b>4,664,558</b>	<b>3,851,506</b>	<b>1,908,162</b>	<b>1,190,759</b>
<b>Expenses</b>					
Cost of units in condominium projects sold		2,558,589	2,112,286	750,598	553,129
Cost from hotel operations		161,186	147,084	-	-
Cost of management services		49,682	29,376	-	3,150
Cost of rental and services		24,583	23,908	-	-
Selling expenses		689,880	415,509	309,379	96,515
Administrative expenses		645,376	438,479	151,224	47,826
<b>Total expenses</b>		<b>4,129,296</b>	<b>3,166,642</b>	<b>1,211,201</b>	<b>700,620</b>
<b>Profit before share of gain from investments in joint ventures, finance cost and income tax expenses</b>					
Share of gain from investments in joint ventures	6.2	161,172	413,587	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>696,434</b>	<b>1,098,451</b>	<b>696,961</b>	<b>490,139</b>
Finance cost		(306,198)	(352,646)	(325,768)	(326,779)
<b>Profit before income tax expenses</b>		<b>390,236</b>	<b>745,805</b>	<b>371,193</b>	<b>163,360</b>
Income tax income (expenses)	15	(52,368)	(53,524)	6,002	(27,749)
<b>Profit for the period</b>		<b>337,868</b>	<b>692,281</b>	<b>377,195</b>	<b>135,611</b>
<b>Earnings per share</b>					
Basic earnings per share					
Profit for the period		0.39	0.80	0.44	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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)
<b>Profit for the period</b>	<u>337,868</u>	<u>692,281</u>	<u>377,195</u>	<u>135,611</u>
<b>Other comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>337,868</u></u>	<u><u>692,281</u></u>	<u><u>377,195</u></u>	<u><u>135,611</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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		(Restated)		(Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	390,236	745,805	371,193	163,360
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	112,016	84,077	5,619	6,933
Write off assets	16,291	3,666	-	-
Loss (gain) on sale of assets	1,299	(1,110)	1,430	(1,120)
Provision for long-term employee benefits	3,058	4,421	394	95
Share of gain from investments in joint ventures	(161,172)	(413,587)	-	-
Dividend income from joint venture	-	-	(402,887)	-
Interest income	(17,751)	(29,210)	(149,309)	(139,260)
Interest expense	282,313	350,260	303,667	313,838
Profit from operating activities before changes in operating assets and liabilities	626,290	744,322	130,107	343,846
Operating assets (increase) decrease				
Trade and other receivables	6,508	(27,705)	(106,682)	(211,089)
Land and construction in progress	616,794	825,614	745,098	553,152
Advances for construction	206,835	(216,507)	64,009	(6,500)
Cost to obtain contracts with customers	90,906	(378,747)	23,031	(22,562)
Deposits for purchase of land	(25,100)	(126,811)	-	-
Other current assets	10,007	(16,893)	6,857	(15,049)
Other non-current assets	1,339	(379)	2,527	1,062

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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018 (Restated)	2019	2018 (Restated)
Operating liabilities increase (decrease)				
Trade and other payables	(249,285)	2,771	(276,125)	6,074
Retention payables	(34,002)	(40,387)	(59,604)	(66,683)
Deposits and advances from customers	(132,669)	592,934	(74,435)	63,319
Other current liabilities	8,107	(15,209)	14,479	5,884
Other non-current liabilities	1,963	(1,136)	-	-
<b>Cash flows from operating activities</b>	<b>1,127,693</b>	<b>1,341,867</b>	<b>469,262</b>	<b>651,454</b>
Cash paid for interest expense	(545,411)	(497,718)	(361,026)	(280,304)
Cash paid for corporate income tax	(82,055)	(57,663)	(17,907)	(29,421)
<b>Net cash from operating activities</b>	<b>500,227</b>	<b>786,486</b>	<b>90,329</b>	<b>341,729</b>
<b>Cash flows from investing activities</b>				
Increase in pledged deposits at banks	(11,706)	(14,275)	(57)	(78)
Acquisition of investment properties	(690,310)	(98,916)	-	-
Cash received from sales of investment properties	14,000	13,000	14,000	13,000
Acquisition of property, plant and equipment	(50,568)	(130,058)	(56)	(490)
Cash received from sales of property, plant and equipment	1,026	4,065	-	3,965
Acquisition of intangible assets	(2,704)	(2,976)	-	(56)
Cash received from short-term loans to related parties	-	-	458,900	391,540
Cash paid for short-term loans to related parties	-	-	(1,188,500)	(266,500)
Cash received from long-term loans to related parties	-	480,947	-	480,947
Cash paid for long-term loans to related parties	(30,600)	(142,800)	(30,600)	(142,800)
Interest income	2,144	73,230	64,545	96,626
Dividend income	402,887	-	402,887	-
<b>Net cash from (used in) investing activities</b>	<b>(365,831)</b>	<b>182,217</b>	<b>(278,881)</b>	<b>576,154</b>

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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018 (Restated)	2019	2018 (Restated)
<b>Cash flows from financing activities</b>				
Increase (decrease) in overdrafts	(14,465)	(3,985)	4,960	25
Increase (decrease) in bills of exchange	317,000	(884,000)	317,000	(884,000)
Cash received from short-term loans from related parties	20,000	150,000	180,000	251,800
Repayment of short-term loans from related parties	-	(234,000)	(180,000)	(398,000)
Repayment of long-term loans from related parties	(50,000)	-	(50,000)	-
Repayment of liabilities under finance lease agreements	(5,533)	(5,289)	(1,206)	(356)
Cash received from short-term debentures	450,000	810,000	450,000	810,000
Repayment of short-term debentures	(810,000)	(510,000)	(810,000)	(510,000)
Cash received from long-term debentures	3,300,000	599,400	3,300,000	599,400
Repayment of long-term debentures	(3,590,000)	(150,000)	(3,500,000)	(150,000)
Cash received from long-term loans from financial institutions	3,649,836	2,313,002	749,268	508,017
Repayment of long-term loans from financial institutions	(3,818,905)	(3,201,145)	(697,259)	(1,142,182)
<b>Net cash used in financing activities</b>	<b>(552,067)</b>	<b>(1,116,017)</b>	<b>(237,237)</b>	<b>(915,296)</b>
Net increase (decrease) in cash and cash equivalents	(417,671)	(147,314)	(425,789)	2,587
Cash and cash equivalents at beginning of period	816,407	694,993	501,538	82,220
<b>Cash and cash equivalents at end of period</b>	<b>398,736</b>	<b>547,679</b>	<b>75,749</b>	<b>84,807</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash items				
Asset purchased under financial lease	6,092	15,703	3,850	-
Transferred advance to investment in subsidiary	-	-	65,000	-
Account payable for hotel construction	5,715	-	-	-
Transferred land and construction in progress to property, plant and equipment	10,933	-	-	-

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 2019

(Unit: Thousand Baht)

	Consolidated financial statements						
	Equity attributable to owners of the Company						
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other component of equity		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income Surplus on revaluation of assets	Total other components of shareholders' equity	
<b>Balance as at 31 December 2017</b>							
- as previously reported	860,412	875,267	105,000	1,800,921	143,381	143,381	3,784,981
Cumulative effects of the change in accounting policies due to the adoption of new financial reporting standard	-	-	-	149,741	-	-	149,741
<b>Balance as at 31 December 2017 - as restated</b>	860,412	875,267	105,000	1,950,662	143,381	143,381	3,934,722
Total comprehensive income for the period (Restated)	-	-	-	692,281	-	-	692,281
<b>Balance as at 30 September 2018</b>	860,412	875,267	105,000	2,642,943	143,381	143,381	4,627,003
<b>Balance as at 31 December 2018</b>							
- as previously reported	860,412	875,267	105,000	2,537,839	192,273	192,273	4,570,791
Cumulative effects of the change in accounting policies due to the adoption of new financial reporting standard	-	-	-	514,744	-	-	514,744
<b>Balance as at 31 December 2018 - as restated</b>	860,412	875,267	105,000	3,052,583	192,273	192,273	5,085,535
Total comprehensive income for the period	-	-	-	337,868	-	-	337,868
<b>Balance as at 30 September 2019</b>	860,412	875,267	105,000	3,390,451	192,273	192,273	5,423,403
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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 2019**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>				<b>Total shareholders' equity</b>
	<b>Issued and paid-up share capital</b>	<b>Premium on ordinary shares</b>	<b>Retained earnings</b>		
			<b>Appropriated - statutory reserve</b>	<b>Unappropriated</b>	
<b>Balance as at 31 December 2017 - as previously reported</b>	860,412	875,267	105,000	2,412,250	4,252,929
Cumulative effects of the change in accounting policies due to the adoption of new financial reporting standard	-	-	-	1,240	1,240
<b>Balance as at 31 December 2017 - as restated</b>	860,412	875,267	105,000	2,413,490	4,254,169
Total comprehensive income for the period (Restated)	-	-	-	135,611	135,611
<b>Balance as at 30 September 2018</b>	860,412	875,267	105,000	2,549,101	4,389,780
<b>Balance as at 31 December 2018 - as previously reported</b>	860,412	875,267	105,000	2,476,962	4,317,641
Cumulative effects of the change in accounting policies due to the adoption of new financial reporting standard	-	-	-	20,384	20,384
<b>Balance as at 31 December 2018 - as restated</b>	860,412	875,267	105,000	2,497,346	4,338,025
Total comprehensive income for the period	-	-	-	377,195	377,195
<b>Balance as at 30 September 2019</b>	860,412	875,267	105,000	2,874,541	4,715,220
	-	-	-	-	-
	-	-	-	-	-

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 2019**

**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 2018, 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 period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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 recognised 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 Company and its subsidiaries adopted TFRS 15 using the full retrospective method of adoption. The Company and its subsidiaries elect to apply the practical expedient to not disclose the effect of the transition on the current period.

The cumulative effect of the change is described in Note 2.

**(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

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 Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

### **1.5 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 2018, except for the change in the accounting policies due to the adoption of TFRS 15, *Revenue from Contracts with Customers*, as follow:

#### **Cost to obtain a contract**

The Company and its subsidiaries recognise commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs. Provided that the amortisation period of the asset that the Company and its subsidiaries otherwise would have used is one year or less, costs to obtain a contract are immediately recognised as expenses.

### **2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard**

As described in Note 1.4 to the financial statements, during the current period, the Company and its subsidiaries have adopted TFRS 15 using the full retrospective method of adoption. The cumulative effect of the change in accounting policy is presented as a separate item in the statement of changes in shareholders' equity.

(Unaudited but reviewed)

The amounts of adjustments affecting the statements of financial position and the income statements are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2018	As at 1 January 2018	As at 31 December 2018	As at 1 January 2018
<b>Statement of financial position</b>				
Increase in assets recognised from the costs to obtain contracts with customers	593,018	142,175	25,480	1,550
Increase in investments in joint ventures	21,750	-	-	-
Increase in long-term loans to related parties	18,580	36,001	-	-
Increase in deferred tax liabilities	118,604	28,435	5,096	310
Increase in inappropriate retained earnings	514,744	149,741	20,384	1,240

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 30 September 2018	For the nine-month period ended 30 September 2018	For the three-month period ended 30 September 2018	For the nine-month period ended 30 September 2018
<b>Income statements</b>				
Decrease in selling expenses	120,474	378,747	5,341	22,562
Increase in share of profit from investments in joint ventures	3,964	834	-	-
Increase in income tax expenses	(24,096)	(75,750)	(1,069)	(4,513)
Increase in profit	100,342	303,831	4,272	18,049
Increase in basic earnings per share (Baht)	0.11	0.35	0.01	0.02

The nature of the adjustment is described below:

- Commission paid to obtain a contract - The Company and its subsidiaries have determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the Company and its subsidiaries immediately recorded commission as selling expenses when the transaction occurred.

(Unaudited but reviewed)

**3. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<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	16,980	20,035	-	-
3 - 6 months	2,263	5,623	-	-
6 - 12 months	1,628	1,496	-	-
Over 12 months	1,872	44	-	-
Total trade receivables - unrelated parties	22,743	27,198	-	-
Total trade receivables	22,743	27,198	-	-
<u>Other receivables</u>				
Other receivables and advances - related parties	21,179	21,002	1,300,600	1,258,113
Other receivables and advances - unrelated parties	16,690	18,920	2,851	3,656
Interest receivables - related parties	41,525	25,918	296,538	211,774
Total other receivables	79,394	65,840	1,599,989	1,473,543
Total trade and other receivables	102,137	93,038	1,599,989	1,473,543

**4. Land and construction in progress**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Condominium/commercial buildings for sales	3,995,034	5,144,038	1,037,224	1,782,322
Construction in progress				
Land cost	3,282,866	3,647,439	-	-
Construction in progress	2,988,954	2,012,815	-	-
Capitalised interest	397,213	317,038	-	-
Total	6,669,033	5,977,292	-	-
Net	10,664,067	11,121,330	1,037,224	1,782,322

4.1 Land and construction thereon of condominium projects with carrying values as at 30 September 2019 amounting to Baht 7,995 million (Separate financial statements: Baht 447 million) (31 December 2018: Consolidated financial statements: Baht 10,741 million, Separate financial statements: Baht 1,624 million) have been mortgaged with local commercial banks as collateral against credit facilities received from banks.

(Unaudited but reviewed)

4.2 During the nine-month period ended 30 September 2019, subsidiaries capitalised interest amounting to Baht 170 million (2018: Baht 178 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 and 13 to the financial statements.

4.3 Additional information of the Company's and its subsidiaries' projects are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Total estimated project value	51,230	51,350	25,858	26,348
Sales with signed agreements	42,210	38,945	24,508	22,985
The ratio of sales with signed agreements to total estimated project value (%)	82	76	96	87
Total value of contracts signed not yet recognised as income	7,819	8,832	545	356

## 5. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts-net	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
			Percentage	Percentage						
Major Development Hotels and Resorts Company Limited	400,000	400,000	100	100	399,999	399,999	(187,000)	(187,000)	212,999	212,999
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	750,000	685,000	100	100	750,000	685,000	-	-	750,000	685,000
Major Development Property Partners Company Limited	2,750	2,750	100	100	2,750	2,750	-	-	2,750	2,750
Major Development Estate Company Limited	1,520,000	1,520,000	100	100	1,520,000	1,520,000	-	-	1,520,000	1,520,000
Major Development Commercial Company Limited (Formerly known as "Major Development Hospitality Company Limited")	550,000	550,000	100	100	550,000	550,000	-	-	550,000	550,000
MDPC Company Limited (Formerly known as "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
<b>Total</b>					<b>5,149,749</b>	<b>5,084,749</b>	<b>(550,623)</b>	<b>(550,623)</b>	<b>4,599,126</b>	<b>4,534,126</b>

(Unaudited but reviewed)

Movements of the investment in subsidiaries during the nine-month period ended 30 September 2019 are as follows:

### MJD Residences Company Limited

In March 2019, MJD Residences Company Limited called up the capital of Baht 65 million or 10% of additional registered share in the year 2017. The Company paid up by offset with amount due from subsidiary. The subsidiary registered the increase in its share capital with the Ministry of Commerce on 27 March 2019.

## 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	31 December	30 September	31 December	30 September	31 December
			2019	2018	2019	2018	2019	2018
			(%)	(%)				(Restated)
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	90,833	308,824
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	47,542	49,818
MJD-JV1 Company Limited	Development of properties for sales	Thailand	51	51	510	510	-	-
Total					94,859	94,859	138,375	358,642

(Unit: Thousand Baht)

Separate financial statements										
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
			2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)						
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	-	-	12,750	12,750
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	(31,869)	(31,869)	49,730	49,730
MJD-JV1 Company Limited	Development of properties for sales	Thailand	51	51	510	510	-	-	510	510
Total					94,859	94,859	(31,869)	(31,869)	62,990	62,990

(Unaudited but reviewed)

## 6.2 Share of comprehensive income and dividend received

During the three-month and nine-month periods ended 30 September 2019 and 2018, the Company recognised its share of income from investments in the joint ventures in the consolidated financial statements and dividend income in separate financial statements as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 September

Company's name	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018 (Restated)
	Share of profit (loss) from investment in joint ventures		Dividend received	
Major Residences Company Limited	(6,721)	87,186	71,397	-
TMDC Construction Company Limited	(563)	(720)	-	-
MJD-JV1 Company Limited	(4,831)	(3,365)	-	-
Total	<u>(12,115)</u>	<u>83,101</u>	<u>71,397</u>	<u>-</u>

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

Company's name	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018 (Restated)
	Share of profit (loss) from investment in joint ventures		Dividend received	
Major Residences Company Limited	184,896	424,015	402,887	-
TMDC Construction Company Limited	(2,276)	(1,453)	-	-
MJD-JV1 Company Limited	(21,448)	(8,975)	-	-
Total	<u>161,172</u>	<u>413,587</u>	<u>402,887</u>	<u>-</u>

(Unaudited but reviewed)

## 7. Investment properties

Movements of the investment properties account during the nine-month period ended 30 September 2019 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	2,615,867	788,688
Additions during period	690,310	-
Capitalised interest	33,628	-
Transfer to property plant and equipment	(95)	-
Write-off	(1,011)	-
Disposals	(15,430)	(15,430)
Balance as at 30 September 2019	<u>3,323,269</u>	<u>773,258</u>

During the nine-month period ended 30 September 2019, subsidiaries capitalised interest amounted to Baht 34 million (2018: Baht 7 million) 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 performed by an accredited independent value, while that of land and office building for rent has been determined using the income approach.

The Company and its subsidiaries have mortgaged investment properties with carrying values as at 30 September 2019 amounting to Baht 2,574 million (Separate financial statements: Baht 703 million) (31 December 2018: Consolidated financial statements: Baht 2,267 million, Separate financial statements: Baht 703 million) with commercial banks as collateral against credit facilities received from banks.

(Unaudited but reviewed)

## 8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2019 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	2,507,007	33,761
Additions during period - cost	62,375	3,906
Capitalised interest	2,914	-
Disposal	(895)	-
Write-off	(15,280)	-
Transfer from investment properties	95	-
Transfer from land and construction in progress	10,933	-
Depreciation for the period	(108,356)	(4,129)
Balance as at 30 September 2019	<u>2,458,793</u>	<u>33,538</u>

During the nine-month period ended 30 September 2019, subsidiaries capitalised interest of Baht 3 million (2018: Baht 4 million) to the cost of construction in progress. The capitalisation rates of interest were MLR.

Land and building with carrying values as at 30 September 2019 amounting to Baht 2,301 million (Separate financial statements: Baht 10 million) (31 December 2018: Consolidated financial statements: Baht 2,346 million, Separate financial statements: Baht 11 million) have been mortgaged with local commercial banks as collateral against credit facilities received from banks.

(Unaudited but reviewed)

## 9. 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				Transfer pricing policy
	30 September				
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	46,088	37,810	7.25% to 7.50% per annum (2018: 6.00% to 7.50% per annum)
Land rental income	-	-	1,218	1,200	Cost plus margin
Interest expense (some charged to project cost)	-	-	-	1,535	5.08% to 7.50% per annum
Rental and service expense	-	-	88	86	Cost plus margin
Other expenses	-	-	31	25	Agreed basis
Commission expense	-	-	4,784	495	Percentage of income
<u>Transactions with related persons and parties</u>					
Interest income	5,437	6,711	5,437	6,711	5.025% to 5.45% per annum (2018: 5.45% to 5.78% per annum)
Management fee income	10,200	4,500	-	-	Cost plus margin
Interest expense	70	1,719	70	1,719	6.70% per annum (2018: 4.30% to 6.00% per annum)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended				Transfer pricing policy
	30 September				
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	132,541	111,435	6.00% to 7.50% per annum
Land rental income	-	-	3,654	3,600	Cost plus margin
Interest expense (some charged to project cost)	-	-	1,998	6,331	7.50% per annum (2018: 5.08% to 7.50% per annum)
Rental and service expense	-	-	266	867	Cost plus margin
Other expenses	-	-	187	144	Agreed basis
Commission expense	-	-	13,218	700	Percentage of income
<u>Transactions with related persons and parties</u>					
Interest income	15,612	27,455	15,612	27,455	5.025% to 5.45% per annum (2018: 5.45% to 5.78% per annum)
Management fee income	30,600	13,500	-	4,500	Cost plus margin
Interest expense	1,246	5,370	1,246	5,370	6.70% per annum (2018: 4.30% to 6.00% per annum)
Sales of units in condominium projects	8,123	-	8,123	-	Cost plus margin

As at 30 September 2019 and 31 December 2018, 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	31 December	30 September	31 December
	2019	2018	2019	2018
<u>Trade and other receivables - related parties (Note 3)</u>				
Subsidiaries	-	-	1,535,945	1,424,387
Joint ventures	62,704	46,920	61,193	45,500
Total other receivables - related parties	62,704	46,920	1,597,138	1,469,887

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b><u>Trade and other payables - related parties</u></b>				
Subsidiaries	-	-	304,179	476,119
Joint ventures	1,392	4,629	1,392	1,392
Related persons (Director and person who is related to management)	1,656	26,890	1,586	26,890
<b>Total trade and other payables - related parties</b>	<b>3,048</b>	<b>31,519</b>	<b>307,157</b>	<b>504,401</b>

**Loans to related parties and loans from related persons and parties**

As at 30 September 2019 and 31 December 2018, the balances of loans between the Company and those related persons and parties and the movements are as follows:

Short-term loans to	Interest rate (% per annum)	Principal repayment	Separate financial statements			
			Balance as at 31 December 2018	Increase	Decrease	Balance as at 30 September 2019
Major Development Estate Company Limited	7.50	At call	2,163,775	874,000	(420,700)	2,617,075
MDPC Company Limited (Formerly known as "Major Development Property Consultant Company Limited")	6.00	At call	10,200	-	(10,200)	-
Major Development Commercial Company Limited (Formerly known as "Major Development Hospitality Company Limited")	7.50	At call	60,000	186,000	(20,000)	226,000
Major Development Hotels and Resorts Company Limited	7.25	At call	4,000	25,000	-	29,000
MJD Residences Company Limited	7.25	At call	-	103,500	(8,000)	95,500
<b>Total</b>			<b>2,237,975</b>	<b>1,188,500</b>	<b>(458,900)</b>	<b>2,967,575</b>

## (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 2018	Increase	Decrease	30 September 2019
Major Residences Company Limited	MLR - 0.75	Within September 2021	183,600	-	-	183,600
MJD-JV1 Company Limited	MLR - 0.75 and 1.25	Within August 2021 - July 2023	204,000	30,600	-	234,600
<b>Total</b>			<b>387,600</b>	<b>30,600</b>	<b>-</b>	<b>418,200</b>
Less: Reserve from investment in joint venture			(13,244)			(34,692)
<b>Net</b>			<b>374,356</b>			<b>383,508</b>

(Unit: Thousand Baht)

Separate financial statements						
Long-term loans to	Interest rate (% per annum)	Principal repayment	Balance as at			Balance as at
			31 December 2018	Increase	Decrease	30 September 2019
Major Residences Company Limited	MLR - 0.75	Within September 2021	183,600	-	-	183,600
MJD-JV1 Company Limited	MLR - 0.75 and 1.25	Within August 2021 - July 2023	204,000	30,600	-	234,600
<b>Total</b>			<b>387,600</b>	<b>30,600</b>	<b>-</b>	<b>418,200</b>

## Consolidated financial statements

Short-term loans from	Interest rate (% per annum)	Principal repayment	Balance as at			Balance as at
			31 December 2018	Increase	Decrease	30 September 2019
Director	6.70	At call	-	20,000	-	20,000
<b>Total</b>			<b>-</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>

(Unit: Thousand Baht)

Separate financial statements						
Short-term loans from	Interest rate (% per annum)	Principal repayment	Balance as at			Balance as at
			31 December 2018	Increase	Decrease	30 September 2019
Major Development Estate Company Limited	7.50	At call	-	180,000	(180,000)	-
<b>Total</b>			<b>-</b>	<b>180,000</b>	<b>(180,000)</b>	<b>-</b>

(Unit: Thousand Baht)

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

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

### Directors' and management's remuneration

During the three-month and nine-month periods ended 30 September 2019 and 2018, 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	
	2019	2018	2019	2018
Short-term employee benefits	39.3	29.9	114.2	91.8
Post-employment benefits	0.5	0.5	1.4	1.4
Total	39.8	30.4	115.6	93.2

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2019	2018	2019	2018
Short-term employee benefits	6.0	5.2	17.8	15.4
Post-employment benefits	0.1	0.1	0.3	0.3
Total	6.1	5.3	18.1	15.7

(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
MJP Property Company Limited	520
MJC Development Company Limited	544
MJD Residences Company Limited	1,674
Major Development Estate Company Limited	4,655
MJ One Company Limited	200
Major Development Commercial Company Limited (Formerly known as "Major Development Hospitality Company Limited)	2,769

  

Joint venture	Credit guarantees
Major Residences Company Limited	1,020
MJD-JV1 Company Limited	1,462

### 10. Bank overdrafts

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated		Separate	
			financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Bank overdrafts	MOR	MOR	4,960	19,425	4,960	-
Total			4,960	19,425	4,960	-

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.

### 11. Short-term bill of exchange

(Unit: Thousand Baht)

No.	Interest rate (% per annum)		Consolidated financial		Separate financial	
			statements		statements	
	30 September 2019	30 September 2019	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Bill of exchange, at face value			317,000	-	317,000	-
Less: Deferred interest	6.00	-	(1,231)	-	(1,231)	-
Total			315,769	-	315,769	-
Less: Unamortised costs relating to the issuance of the bill of exchange			(137)	-	(137)	-
Bill of exchange - net			315,632	-	315,632	-

Bill of exchange are due in October 2019.

## 12. 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 2019 and 31 December 2018 are detailed below.

(Unit: Million Baht)						
			Consolidated financial statements		Separate financial statements	
No.	Principal repayment	Interest rate (% per annum)	30 September 2019	31 December 2018	30 September 2019	31 December 2018
1/2018	February 2019	6.35	-	510	-	510
2/2018	March 2019	6.35	-	300	-	300
1/2019	November 2019	6.50	450	-	450	-
Total			450	810	450	810
Less: Unamortised costs relating to the issuance of the debentures			(1)	-	(1)	-
Short-term debentures - net			449	810	449	810

(Unaudited but reviewed)

The outstanding balance of long-term debentures as at 30 September 2019 and 31 December 2018 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
	2019	2018	2019	2018	2019	2018	2019	2018
2016	4.90	4.50 - 5.40	3	2 - 3	300	2,000	300	2,000
2017	-	6.00 - 7.50	-	1.5 - 2	-	1,890	-	1,800
2018	6.70 - 7.50	6.70 - 7.50	1.5 - 2	1.5 - 2	1,700	1,700	1,700	1,700
2019	6.70 - 7.00	-	2	-	3,300	-	3,300	-
Total long-term debentures, at face value					5,300	5,590	5,300	5,500
Less: Unamortised costs relating to the issuance of the debentures					(47)	(24)	(47)	(23)
Long-term debentures - net					5,253	5,566	5,253	5,477
Less: Long-term debentures - portion due within one year					(1,992)	(3,889)	(1,992)	(3,800)
Debentures - portion due over one year					3,261	1,677	3,261	1,677

Debenture which was issued by a subsidiary was 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. The subsidiary redeemed all debentures in June 2019.

### 13. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Long-term loans from financial institutions	4,045,813	4,214,882	52,009	-
Less: current portion	(1,286,510)	(548,766)	(52,009)	-
Long-term portion	2,759,303	3,666,116	-	-

(Unaudited but reviewed)

Movements of the long-term loans account during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	4,214,882	-
Add: Additional borrowings	3,649,836	749,268
Less: Repayment	(3,818,905)	(697,259)
Balance as at 30 September 2018	<u>4,045,813</u>	<u>52,009</u>

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 2020 - 2031.

As at 30 September 2019, the Company and its subsidiaries had credit facilities which have not drawn down of Baht 5,296 million (Separate financial statements: Baht 105 million) (31 December 2018: Consolidated financial statements: Baht 6,756 million, Separate financial statements: Baht 119 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.

(Unaudited but reviewed)

**14. Liabilities under finance lease agreements**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Liabilities under finance lease agreements	19,894	19,612	2,940	-
Less: Deferred interest expense	(1,742)	(2,019)	(296)	-
Total	18,152	17,593	2,644	-
Less: Portion due within one year	(6,029)	(5,649)	(623)	-
Long-term portion	12,123	11,944	2,021	-

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.

As at 30 September 2019 and 31 December 2018, 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 2019			As at 31 December 2018		
	Less than 1 year	1 - 6 years	Total	Less than 1 year	1 - 6 years	Total
Future minimum lease payments	6,897	12,997	19,894	6,588	13,024	19,612
Deferred interest expense	(868)	(874)	(1,742)	(939)	(1,080)	(2,019)
Present value of future minimum lease payments	6,029	12,123	18,152	5,649	11,944	17,593

(Unit: Thousand Baht)

	Separate financial statements					
	As at 30 September 2019			As at 31 December 2018		
	Less than 1 year	1 - 6 years	Total	Less than 1 year	1 - 6 years	Total
Future minimum lease payments	751	2,189	2,940	-	-	-
Deferred interest expense	(128)	(168)	(296)	-	-	-
Present value of future minimum lease payments	623	2,021	2,644	-	-	-



## 16. 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.

Revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Development of properties for sales		Hotel business and rental and services		Others		Elimination		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenue from external customers	1,776	1,323	94	92	37	27	(23)	(13)	1,884	1,429
Segment operating profit	237	288	11	86	8	6	(3)	(2)	253	298
Unallocated income and expenses:										
Finance cost									(107)	(115)
Other income									84	12
Income tax expenses									(29)	(20)
Profit for the period									201	175

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September										
	Development of properties for sales		Hotel business and rental and services		Others		Elimination		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(Restated)		(Restated)		(Restated)		(Restated)		(Restated)	
Revenue from external customers	4,171	3,479	306	284	110	44	(70)	(34)	4,517	3,773
Segment operating profit	520	999	43	32	28	4	(10)	(9)	581	1,026
Unallocated income and expenses:										
Finance cost									(306)	(353)
Other income									115	73
Income tax expenses									(52)	(54)
Profit for the period									338	692

## 17. Commitments and contingent liabilities

### 17.1 Capital commitments

As at 30 September 2019 and 31 December 2018, the Company and its subsidiaries had capital commitments as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Construction costs of condominium projects and service agreements	2,257	3,647	1	1
The purchases of land agreements	2,683	1,198	-	-

### 17.2 Operating lease commitment

A subsidiary has entered into a lease agreement in respect of the lease of land. The term of the agreement is 15 years. Future minimum lease payments required under this operating lease contracts were as follows.

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
Payable	30 September	31 December
	2019	2018
In up to 1 year	-	-
In over 1 and up to 5 years	3	2
In over 5 years	9	9

### 17.3 Bank guarantees

As at 30 September 2019 and 31 December 2018, 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 2019	31 December 2018	30 September 2019	31 December 2018
Bank guarantee for electricity use	5	3	2	2
Bank guarantee for public utility	34	34	-	-
Bank guarantee for payments due to creditors	1	1	-	-
<b>Total</b>	<b>40</b>	<b>38</b>	<b>2</b>	<b>2</b>

As at 30 September 2019, the Company and its subsidiaries placed deposits at banks of Baht 61.1 million (Separate financial statements: Baht 17.7 million) (31 December 2018: Consolidated financial statements: Baht 49.4 million, Separate financial statements: Baht 17.6 million) and mortgaged the land and construction of condominium projects with the banks to secure the issuance of bank guarantees.

### 17.4 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.

### 17.5 Litigations

As at 30 September 2019, the following lawsuits have been filed against the Company, its subsidiaries and joint venture.

- a) The Company and its subsidiaries were sued by third parties on ground of seeking refunds of payments for condominiums and other expenses, payment of construction expenses and a joint defendant with the constructor for damaged properties in 28 cases, claiming damages of Baht 346 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 206 million in its accounts.

(Unaudited but reviewed)

- b.) A subsidiary filed a lawsuit against a land seller for the repayment of land deposits amounting to Baht 100 million as the seller could not transferred the ownership to the subsidiary. Currently, the case is being investigated. However, the Company's management and its legal consultant are of the opinion that the subsidiary has a chance of winning the case. Consequently, the Company's management assessed recoverable amount of such deposit and recorded Baht 25 million allowance for doubtful debts for estimated loss that might be incurred.
- c.) A joint venture filed, a notice demanding the portion of construction service fees and claimed for the damages incurred from the termination of contract due to the unfair event with a customer, with the Thai Arbitral Tribunal for the claim amount of Baht 144.27 million. However, the customer countersued the joint venture on the grounds that the joint venture failed to deliver the work within the agreed deadline and demanded compensatory damages for the work delay of Baht 202.27 million. Currently, the dispute is under the process of the investigation of the facts. In this regard, the joint venture submitted the facts and evidence for the interest of the dispute to be considered by the Thai Arbitral Tribunal. The Group's management and its legal consultant are of the opinion that the joint venture has evidence and information according to the contract to defend the issue in this dispute and considers that the dispute will probably not result in the joint venture incurring losses. Therefore, the joint venture has not recorded the estimated losses of relevant assets or provision in its accounts.

## **18. Approval of interim financial statements**

The interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2019.