

Major Development Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2021

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 2021, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and 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 interim consolidated financial statements. I have also reviewed the separate financial information of Major Development Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 1.2 to the interim consolidated financial statements. The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation significantly affects the Group's business activities, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so. My conclusion is not modified in respect of this matter.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 11 November 2021

Major Development Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Assets					
Current assets					
Cash and cash equivalents		339,485	1,548,127	49,572	676,542
Trade and other receivables	2, 8	219,981	134,961	1,183,239	1,069,079
Short-term loans to related parties	8	-	-	2,360,499	2,768,800
Current portion of long-term loans to related parties	8	-	244,800	300,000	244,800
Real estate development cost	3	7,571,549	8,444,738	158,508	367,210
Advances for construction		99,159	151,534	44,799	44,907
Deposits for purchase of land		99,057	440,861	-	37,077
Prepayment for purchase of shares		447,177	397,905	-	-
Cost to obtain contracts with customers		88,318	220,433	-	-
Non-current asset held for sale	7	389,221	-	-	-
Other current assets		169,258	115,671	23,467	22,997
Total current assets		9,423,205	11,699,030	4,120,084	5,231,412
Non-current assets					
Pledged deposits at banks	10, 14.4	30,094	32,526	761	1,866
Investments in subsidiaries	4	-	-	4,931,324	4,929,324
Investments in joint ventures	5	106,112	108,508	68,090	68,090
Long-term loans to related parties	8	711,691	201,187	773,600	556,400
Investment properties	6	3,733,563	3,743,795	802,762	802,762
Property, plant and equipment	7	2,224,550	2,684,844	51,114	55,260
Intangible assets		16,764	19,636	2,005	3,034
Deposits for purchase of land	14.6	87,500	87,500	-	-
Deferred tax assets		106,755	164,290	2,835	7,545
Other non-current assets		14,366	22,080	6,851	7,051
Total non-current assets		7,031,395	7,064,366	6,639,342	6,431,332
Total assets		16,454,600	18,763,396	10,759,426	11,662,744

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 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term bills of exchange	9	180,062	239,545	180,062	239,545
Trade and other payables		394,631	713,119	391,825	307,276
Retention payables		208,258	343,956	41,967	44,003
Deposits and advances from customers		488,026	893,032	24,778	33,157
Short-term loans from related parties	8	-	-	126,000	106,000
Current portion of long-term loans from financial institutions	10	1,078,142	1,549,502	252,118	-
Current portion of lease liabilities		10,141	10,092	694	666
Current portion of debentures	11	1,046,631	3,290,634	1,046,631	3,290,634
Income tax payable		-	45,356	-	-
Other current liabilities		160,470	176,316	124,993	132,540
Total current liabilities		3,566,361	7,261,552	2,189,068	4,153,821
Non-current liabilities					
Long-term loans from financial institutions	10	2,508,221	2,672,835	-	-
Debentures	11	4,637,753	2,803,576	3,896,957	2,657,151
Lease liabilities		18,824	26,622	670	1,194
Provision for long-term employee benefits		50,636	54,939	-	-
Deferred tax liabilities		239,518	266,900	138,302	138,302
Other non-current liabilities		28,350	23,469	-	-
Total non-current liabilities		7,483,302	5,848,341	4,035,929	2,796,647
Total liabilities		11,049,663	13,109,893	6,224,997	6,950,468

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 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	(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	3,316,179	3,565,368	2,693,750	2,871,597
Other components of shareholders' equity	247,456	247,456	-	-
Equity attributable to owners of the Company	5,404,314	5,653,503	4,534,429	4,712,276
Non-controlling interests of the subsidiaries	623	-	-	-
Total shareholders' equity	5,404,937	5,653,503	4,534,429	4,712,276
Total liabilities and shareholders' equity	16,454,600	18,763,396	10,759,426	11,662,744
	-	-	-	-

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 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Sales		905,756	1,262,556	17,660	208,566
Revenues from hotel operations		22,114	43,916	-	-
Management fee income		25,062	23,042	-	-
Rental income		22,440	21,081	1,218	1,218
Dividend income	5.2	-	-	-	101,997
Other income		5,548	156,905	68	448
Total revenues		980,920	1,507,500	18,946	312,229
Expenses					
Cost of sales		619,535	950,530	11,871	126,812
Cost from hotel operations		28,505	42,200	-	-
Cost of management services		20,812	17,926	-	-
Cost of rental		7,782	7,173	-	-
Selling expenses		103,041	241,528	1,509	31,627
Administrative expenses		151,591	178,677	8,341	10,130
Total expenses		931,266	1,438,034	21,721	168,569
Operating profit (loss)		49,654	69,466	(2,775)	143,660
Share of profit (loss) from investments in joint ventures	5.2	(2,738)	43,735	-	-
Finance income		9,953	5,017	63,402	52,534
Finance cost		(136,225)	(121,233)	(110,562)	(112,355)
Profit (loss) before income tax expenses		(79,356)	(3,015)	(49,935)	83,839
Income tax expenses	12	(1,988)	(4,552)	(646)	(2,133)
Profit (loss) for the period		(81,344)	(7,567)	(50,581)	81,706
Profit (loss) attributable to:					
Equity holders of the Company		(81,346)	(7,567)	(50,581)	81,706
Non-controlling interests of the subsidiaries		2	-	-	-
		(81,344)	(7,567)		
Earnings (loss) per share					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.09)	(0.01)	(0.06)	0.09

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 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Income (loss) for the period	<u>(81,344)</u>	<u>(7,567)</u>	<u>(50,581)</u>	<u>81,706</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>(81,344)</u></u>	<u><u>(7,567)</u></u>	<u><u>(50,581)</u></u>	<u><u>81,706</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(81,346)	(7,567)	<u>(50,581)</u>	<u>81,706</u>
Non-controlling interests of the subsidiaries	<u>2</u>	<u>-</u>		
	<u><u>(81,344)</u></u>	<u><u>(7,567)</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 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Sales		3,154,500	4,791,893	278,943	602,571
Revenues from hotel operations		51,536	113,102	-	-
Management fee income		75,689	65,211	-	-
Rental income		67,487	65,927	3,654	3,654
Dividend income	5.2	-	-	-	170,845
Other income		44,680	296,923	2,639	6,573
Total revenues		3,393,892	5,333,056	285,236	783,643
Expenses					
Cost of sales		2,067,662	3,344,245	210,490	365,246
Cost from hotel operations		84,849	120,384	-	-
Cost of management services		61,944	48,703	-	-
Cost of rental		23,043	25,617	-	-
Selling expenses		434,452	748,722	28,196	101,217
Administrative expenses		478,019	568,121	41,310	42,668
Total expenses		3,149,969	4,855,792	279,996	509,131
Operating profit		243,923	477,264	5,240	274,512
Share of profit (loss) from investments in joint ventures	5.2	(14,710)	58,115	-	-
Finance income		27,429	15,949	200,242	163,748
Finance cost		(459,351)	(365,008)	(378,619)	(337,477)
Profit (loss) before income tax expenses		(202,709)	186,320	(173,137)	100,783
Income tax expenses	12	(35,413)	(75,414)	(4,710)	(2,342)
Profit (loss) for the period		(238,122)	110,906	(177,847)	98,441
Profit (loss) attributable to:					
Equity holders of the Company		(238,145)	110,906	(177,847)	98,441
Non-controlling interests of the subsidiaries		23	-	-	-
		(238,122)	110,906		
Earnings (loss) per share					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.28)	0.13	(0.21)	0.11

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 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) for the period	<u>(238,122)</u>	<u>110,906</u>	<u>(177,847)</u>	<u>98,441</u>
Other comprehensive income:				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss	(13,805)	-	-	-
Less: Income tax effect	<u>2,761</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(11,044)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(11,044)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(249,166)</u>	<u>110,906</u>	<u>(177,847)</u>	<u>98,441</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(249,189)	110,906	<u>(177,847)</u>	<u>98,441</u>
Non-controlling interests of the subsidiaries	<u>23</u>	<u>-</u>		
	<u>(249,166)</u>	<u>110,906</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

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

Consolidated financial statements								
Equity attributable to owners of the Company								
	Issued and	Premium on	Retained earnings		Other component	Total equity	Equity attributable	Total
	paid-up	ordinary shares	Appropriated -	Unappropriated	of equity	attributable to	to non-controlling	shareholders'
	share capital		statutory reserve		Surplus on	owners of	interests of	equity
					revaluation of assets	the Company	the subsidiaries	
Balance as at 1 January 2020	860,412	875,267	105,000	3,371,359	244,222	5,456,260	-	5,456,260
Total comprehensive income for the period	-	-	-	110,906	-	110,906	-	110,906
Balance as at 30 September 2020	860,412	875,267	105,000	3,482,265	244,222	5,567,166	-	5,567,166
Balance as at 1 January 2021	860,412	875,267	105,000	3,565,368	247,456	5,653,503	-	5,653,503
Profit (loss) for the period	-	-	-	(238,145)	-	(238,145)	23	(238,122)
Other comprehensive income for the period	-	-	-	(11,044)	-	(11,044)	-	(11,044)
Total comprehensive income for the period	-	-	-	(249,189)	-	(249,189)	23	(249,166)
Additional investment in subsidiaries of non-controlling interests of subsidiaries	-	-	-	-	-	-	600	600
Balance as at 30 September 2021	860,412	875,267	105,000	3,316,179	247,456	5,404,314	623	5,404,937
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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 2021

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	860,412	875,267	105,000	2,804,947	4,645,626
Total comprehensive income for the period	-	-	-	98,441	98,441
Balance as at 30 September 2020	860,412	875,267	105,000	2,903,388	4,744,067
Balance as at 1 January 2021	860,412	875,267	105,000	2,871,597	4,712,276
Total comprehensive income for the period	-	-	-	(177,847)	(177,847)
Balance as at 30 September 2021	860,412	875,267	105,000	2,693,750	4,534,429
	-	-	-	-	-
	-	-	-	-	-

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 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) before tax	(202,709)	186,320	(173,137)	100,783
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	97,282	102,802	5,147	6,713
Loss (gain) on sale and write-off of assets	19,342	9,372	(1,458)	(80)
Impairment loss on assets	2,578	-	-	-
Write-off of withholding tax deducted at source	6,891	13,158	4,787	-
Provision for long-term employee benefits (reversal)	(18,108)	3,134	-	410
Share of loss (profit) from investments in joint ventures	14,710	(58,115)	-	-
Dividend income	-	-	-	(170,845)
Finance income	(27,429)	(15,949)	(200,242)	(163,748)
Finance cost	433,760	341,368	356,877	314,364
Profit (loss) from operating activities before changes in operating assets and liabilities	326,317	582,090	(8,026)	87,597
Operating assets (increase) decrease				
Trade and other receivables	(59,449)	(7,786)	(66,769)	206,991
Real estate development cost	1,149,400	2,008,119	208,702	365,246
Advances for construction	52,375	166,824	108	7,182
Deposits for purchase of land	124,473	(42,500)	37,077	-
Cost to obtain contracts with customers	132,115	221,349	-	625
Other current assets	(32,880)	2,312	(157)	1,649
Other non-current assets	7,714	1,813	200	398

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 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Operating liabilities increase (decrease)				
Trade and other payables	(325,179)	(194,772)	88,818	(49,151)
Retention payables	(135,698)	31,021	(2,036)	(6,623)
Deposits and advances from customers	(405,006)	(614,863)	(8,379)	(112,687)
Other current liabilities	(15,846)	(57,124)	(7,547)	(34,727)
Other non-current liabilities	4,881	(2,155)	-	-
Cash flows from operating activities	823,217	2,094,328	241,991	466,500
Interest paid	(508,883)	(483,812)	(361,826)	(322,260)
Cash received from withholding tax deducted at source	12,700	57,214	-	-
Corporate income tax paid	(88,153)	(125,265)	(5,100)	(8,191)
Net cash from (used in) operating activities	238,881	1,542,465	(124,935)	136,049
Cash flows from investing activities				
Decrease (increase) in pledged deposits at banks	2,432	11,338	1,105	(9,429)
Acquisition of investment properties	(6,116)	(69,950)	-	-
Cash received from sales of investment properties	-	10,000	-	10,000
Acquisition of building and equipment	(16,351)	(86,449)	(6)	-
Cash received from sales of equipment	5,562	40,731	1,556	-
Acquisition of intangible assets	(1,495)	(2,307)	(64)	(532)
Prepayment for purchase of shares	(49,272)	(82,635)	-	-
Cash payment for investment in subsidiary	-	-	(2,000)	(202,000)
Cash payment for investment in joint venture	(5,618)	-	-	-
Proceed in subsidiary's shares from				
non-controlling interests	600	-	-	-
Cash received from short-term loans to related parties	-	-	1,211,901	846,475
Cash payment for short-term loans to related parties	-	-	(803,600)	(429,000)
Cash payment for long-term loans to related parties	(272,400)	-	(272,400)	-
Interest received	1,858	1,593	152,851	109,400
Dividend received	-	170,845	-	170,845
Net cash from (used in) investing activities	(340,800)	(6,834)	289,343	495,759

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 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from financing activities				
Decrease in bank overdrafts from financial institutions	-	(968)	-	-
Decrease in short-term bills of exchange	(60,000)	(125,000)	(60,000)	(125,000)
Cash received from short-term loans from related parties	-	50,000	25,000	50,000
Repayment of short-term loans from related parties	-	(50,000)	(5,000)	(50,000)
Repayment of lease liabilities	(7,749)	(9,624)	(496)	(470)
Cash received from debentures	2,897,000	1,488,600	2,297,000	1,488,600
Repayment of debentures	(3,300,000)	(1,699,400)	(3,300,000)	(1,699,400)
Cash received from long-term loans from financial institutions	1,633,717	2,730,252	750,000	96,726
Repayment of long-term loans from financial institutions	(2,269,691)	(3,365,293)	(497,882)	(96,726)
Net cash used in financing activities	(1,106,723)	(981,433)	(791,378)	(336,270)
Net increase (decrease) in cash and cash equivalents	(1,208,642)	554,198	(626,970)	295,538
Cash and cash equivalents at beginning of period	1,548,127	388,686	676,542	125,937
Cash and cash equivalents at end of period	339,485	942,884	49,572	421,475
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Acquisition of assets under lease agreement	-	25,390	-	-
Increase in project cost of hotel building which no cash has been paid	-	13,632	-	-
Transferred real estate development cost to deposit for purchase of land	-	4,900	-	-
Transferred investment properties to property, plant and equipment	15,384	6,086	-	-
Transferred property, plant and equipment and intangible assets to non-current asset held for sale	389,221	-	-	-

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

Major Development Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and nine-month periods ended 30 September 2021

1. General information

1.1 General information of the Company

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 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation significantly affects the Group’s business activities, and this is significantly impacting the Group’s financial position, operating results, and cash flows at present, and is expected to do so in the future. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

1.3 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.

1.4 Basis of consolidation

These interim consolidated financial statements include the financial statements of Major Development Public Company Limited and its subsidiaries (hereinafter collectively called “the Group”), and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020, with the same composition of the subsidiaries and joint ventures in the current period, except for the additional investments as described in Notes 4 and 5 to the financial statements.

1.5 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group’s financial statements.

1.6 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 2020.

(Unaudited but reviewed)

2. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Past due				
Up to 3 months	22,960	10,711	-	-
3 - 6 months	1,402	3,298	-	-
6 - 12 months	1,026	997	-	-
Over 12 months	3,508	674	-	-
Total	28,896	15,680	-	-
Less: Allowance for expected credit losses	(759)	(287)	-	-
Total trade receivables - unrelated parties, net	28,137	15,393	-	-
<u>Other receivables</u>				
Other receivables and advances - related parties	68,837	22,038	724,920	657,224
Other receivables and advances - unrelated parties	31,446	31,540	17,939	18,866
Interest receivables - related parties	91,561	65,990	440,380	392,989
Total other receivables	191,844	119,568	1,183,239	1,069,079
Total trade and other receivables - net	219,981	134,961	1,183,239	1,069,079

3. Real estate development cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Land and construction under development	3,320,983	3,048,010	-	-
Developed land and construction	4,250,566	5,396,728	158,508	367,210
Total	7,571,549	8,444,738	158,508	367,210

- 3.1 During the nine-month period ended 30 September 2021, subsidiaries capitalised interest amounting to Baht 76 million (2020: Baht 82 million) to the land and construction under development. The capitalisation rates of interest are based on the borrowing costs of the specific loans, as described in Note 10 to the financial statements.

(Unaudited but reviewed)

- 3.2 As at 30 September 2021 and 31 December 2020, the Group has mortgaged some project land and construction thereon as collateral against credit facilities received from banks and guaranteed as collateral against the issuance of the debentures and at the Court. Their net book values are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Net book values of land and construction thereon that have been mortgaged as collateral	7,281	7,829	-	-
Net book values of land and construction thereon that have been guaranteed as collateral at the Court	52	58	52	58

4. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)									
	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method-net	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
			(%)	(%)						
Major Development Hotels and Resorts Company Limited	400,000	400,000	100	100	399,999	399,999	(239,800)	(239,800)	160,199	160,199
Major Development Residences Company Limited	100,000	100,000	100	100	99,999	99,999	-	-	99,999	99,999
MJR Development Company Limited	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	750,000	100	100	750,000	750,000	-	-	750,000	750,000
Major Development Property Partners Company Limited	2,750	2,750	100	100	2,750	2,750	-	-	2,750	2,750
Major Development Estate Company Limited	1,520,000	1,520,000	100	100	1,520,000	1,520,000	-	-	1,520,000	1,520,000
Major Development Commercial Company Limited	900,000	900,000	100	100	900,000	900,000	-	-	900,000	900,000
MDPC Company Limited	10,000	10,000	100	100	9,999	9,999	-	-	9,999	9,999
MJV2 Co., Ltd.	50,000	50,000	100	100	50,000	50,000	-	-	50,000	50,000
MJV4 Co., Ltd.	2,000	-	100	-	2,000	-	-	-	2,000	-
Total					<u>5,534,747</u>	<u>5,532,747</u>	<u>(603,423)</u>	<u>(603,423)</u>	<u>4,931,324</u>	<u>4,929,324</u>

Movements of the investments in subsidiaries during the nine-month period ended 30 September 2021 are as follows:

Direct investment

MJV4 Co., Ltd.

The Company invested in MJV4 Co., Ltd., a newly incorporated company, to engage in development of properties for sales. The new company has a registered capital of Baht 2 million and was registered with the Ministry of Commerce on 21 April 2021. The Company acquired and paid for 19,997 ordinary shares, accounting for 100% of the total share.

Indirect investments by subsidiaries

MJ One Company Limited (held by MJR Development Company Limited, MJP Property Company Limited and MJC Development Company Limited)

The Extraordinary General Meeting of shareholders of MJ One Company Limited passed a resolution approving a decrease in the registered capital by reducing par value from Baht 100 per share to Baht 25 per share to compensate for the accumulated loss. The company registered the capital reduction with the Ministry of Commerce on 15 March 2021. The capital reduction resulted in the remaining registered capital of Baht 15 million.

Major SPV One Co., Ltd. (held by Major Development Estate Company Limited)

Major Development Estate Company Limited (MDE) invested in Major SPV One Co., Ltd. (“a subsidiary”), a newly incorporated company, to engage in development of properties for sales. The new company has a registered capital of Baht 100 million and was registered with the Ministry of Commerce on 9 December 2020. MDE acquired 999,997 ordinary shares, accounting for 100% of the total share, and made share payment totaling Baht 25 million, or 25% of the registered capital in December 2020, and Baht 75 million for the remaining shares in March 2021. The subsidiary registered the share capital increase with the Ministry of Commerce on 10 May 2021.

Peoplescape Co., Ltd. (held by Major Development Estate Company Limited)

Major Development Estate Company Limited (MDE) invested in Peoplescape Co., Ltd. a newly incorporated company, to engage in the provision of organisational development and management consulting services. The new company has a registered capital of Baht 1 million and was registered with the Ministry of Commerce on 4 March 2021. MDE acquired and paid for 8,999 ordinary shares, accounting for 90% of the total share.

(Unaudited but reviewed)

Healthscape Co., Ltd. (held by Major Development Estate Company Limited)

Major Development Estate Company Limited (MDE) invested in Healthscape Co., Ltd., a newly incorporated company, to engage in the accommodation of health business. The new company has a registered capital of Baht 5 million and was registered with the Ministry of Commerce on 4 August 2021. MDE acquired and paid for 45,000 ordinary shares, accounting for 90% of the total share.

5. Investments in joint ventures

5.1 Details of investments in joint ventures

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September	31 December	30 September	31 December	30 September	31 December
			2021	2020	2021	2020	2021	2020
			(%)	(%)				
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	55,863	57,102
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	44,663	46,390
MJD-JV1 Co., Ltd.	Development of properties for sales	Thailand	51	51	510	510	-	-
MJV3 Co., Ltd.	Development of properties for sales	Thailand	51	51	5,100	5,100	-	5,016
Techscape Co., Ltd.	Development and design of application platform	Thailand	51	-	5,618	-	5,586	-
Total					105,577	99,959	106,112	108,508

Movement of the investment in joint venture during the nine-month period ended 30 September 2021 is as follows:

Techscape Co., Ltd. (formerly known as “Cubixcode Co., Ltd.”)

Healthscape Co., Ltd. (a subsidiary of Major Development Estate Company Limited) invested in Techscape Co., Ltd., a newly incorporated company, to engage in the development and design of application platform business. The new company was registered with the Ministry of Commerce on 20 February 2020, with a registered and paid-up capital of Baht 1 million and Baht 0.25 million, respectively. Healthscape Co., Ltd. acquired and made share payment totaling Baht 6 million, or 51% of the registered share capital in August 2021. Techscape Co., Ltd. registered a change of its shareholding structure with the Ministry of Commerce on 11 August 2021.

(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	31	30	31	30	31	30	31
			September	December	September	December	September	December	September	December
			2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)						
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	-	-	12,750	12,750
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	(31,869)	(31,869)	49,730	49,730
MJD-JV1 Co., Ltd.	Development of properties for sales	Thailand	51	51	510	510	-	-	510	510
MJV3 Co., Ltd.	Development of properties for sales	Thailand	51	51	5,100	5,100	-	-	5,100	5,100
Total					99,959	99,959	(31,869)	(31,869)	68,090	68,090

5.2 Share of profit (loss) and dividend received

During the three-month and nine-month periods ended 30 September 2021 and 2020, the Company recognised its share of profit (loss) from investments in joint ventures in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investment in joint ventures		Dividend received	
	2021	2020	2021	2020
Major Residences Company Limited	471	46,467	-	101,997
TMDC Construction Company Limited	(1,151)	-	-	-
MJD-JV1 Co., Ltd.	380	(2,732)	-	-
MJV3 Co., Ltd.	(2,406)	-	-	-
Techscape Co., Ltd.	(32)	-	-	-
Total	(2,738)	43,735	-	101,997

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investment in joint ventures		Dividend received	
	2021	2020	2021	2020
Major Residences Company Limited	(1,239)	68,988	-	170,845
TMDC Construction Company Limited	(1,727)	(468)	-	-
MJD-JV1 Co., Ltd.	(6,264)	(10,405)	-	-
MJV3 Co., Ltd.	(5,448)	-	-	-
Techscape Co., Ltd.	(32)	-	-	-
Total	(14,710)	58,115	-	170,845

6. Investment properties

Movements of the investment properties account during the nine-month period ended 30 September 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	3,743,795	802,762
Additions during the period	6,116	-
Transferred to property, plant and equipment	(15,384)	-
Write-off	(12)	-
Adjust	(952)	-
Balance as at 30 September 2021	3,733,563	802,762

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 valuer, while that of land and office building for rent has been determined using the income approach.

The Group has mortgaged investment properties with carrying values as at 30 September 2021 amounting to Baht 3,586 million (Separate financial statements: Baht 797 million) (31 December 2020: Baht 3,596 million, Separate financial statements: Baht 797 million) with commercial banks as collateral against credit facilities received from banks, guaranteed as collateral at the Court and the issuance of the debentures.

(Unaudited but reviewed)

7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	2,684,844	55,260
Additions during the period - cost	16,351	6
Transferred from investment properties	15,384	-
Transferred to non-current asset held for sale	(389,158)	-
Disposals	(3,855)	(98)
Write-off	(3,436)	-
Depreciation for the period	(93,499)	(4,054)
Allowance for impairment loss	(2,081)	-
Balance as at 30 September 2021	<u>2,224,550</u>	<u>51,114</u>

In September 2021, a subsidiary entered into a sale and purchase agreement to sell land and hotel construction with a local company (“a purchaser”), amounting to Baht 389 million, net of related selling expenses. The ownership shall be transferred in October 2021. Therefore, the subsidiary classified this asset as non-current asset held for sale in the statement of financial position as at 30 September 2021. Such asset was already transferred to the purchaser on 25 October 2021.

Land and building, and non-current asset held for sale with carrying values as at 30 September 2021 amounting to Baht 2,164 million (Separate financial statements: Baht 36 million) (31 December 2020: Baht 2,162 million, Separate financial statements: Baht 9 million) have been mortgaged with commercial banks as collateral against credit facilities received from banks and guaranteed as collateral at the Court and the issuance of the debentures.

(Unaudited but reviewed)

8. Related party transactions

During the periods, the Group 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 Group and those related parties.

(Unit: Thousand Baht)

	For the three-month periods				Transfer pricing policy
	ended 30 September				
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	53,459	47,523	6.80% to 7.50% per annum (2020: 6.90% to 7.50% per annum)
Land rental income	-	-	1,218	1,218	Cost plus margin
Interest expense	-	-	700	-	2.00% to 6.90% per annum
Rental and service expenses	-	-	68	77	Cost plus margin
Other expenses	-	-	25	43	Agreed basis
Commission expense	-	-	183	3,216	Percentage of income
<u>Transactions with related persons and parties</u>					
Interest income	9,889	4,559	9,889	4,559	4.00% to 6.95% per annum (2020: 4.00% to 4.55% per annum)
Management fee income	5,700	5,700	-	-	Cost plus margin

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	173,462	148,636	6.80% to 7.50% per annum (2020: 6.90% to 7.50% per annum)
Land rental income	-	-	3,654	3,654	Cost plus margin
Interest expense	-	-	1,752	-	2.00% to 6.90% per annum
Rental and service expenses	-	-	219	270	Cost plus margin
Other expenses	-	-	115	116	Agreed basis
Commission expense	-	-	3,758	10,259	Percentage of income
<u>Transactions with related persons and parties</u>					
Interest income	25,572	14,357	25,572	14,357	4.00% to 6.95% per annum (2020: 4.00% to 5.26% per annum)
Management fee income	17,100	17,100	-	-	Cost plus margin
Interest expense	-	848	-	848	6.80% per annum
Sales of land and house	-	75,000	-	-	Close to the prices charged to other customers of the same project

As at 30 September 2021 and 31 December 2020, the balances of the accounts between the Group and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<u>Other receivables - related parties (Note 2)</u>				
Subsidiaries	-	-	1,004,902	962,185
Joint ventures	160,398	88,028	160,398	88,028
Total other receivables - related parties	160,398	88,028	1,165,300	1,050,213
<u>Deposit for purchase of condominium unit (presented in other current assets)</u>				
Joint venture	13,025	-	-	-
Total deposit for purchase of condominium unit	13,025	-	-	-
<u>Other payables - related parties</u>				
Subsidiaries	-	-	316,937	205,000
Joint ventures	1,394	1,392	1,392	1,392
Total other payables - related parties	1,394	1,392	318,329	206,392

(Unaudited but reviewed)

Loans to related parties and loans from related parties

As at 30 September 2021 and 31 December 2020, the balances of loans between the Group and those related parties and the movements are as follows:

(Unit: Thousand Baht)

Short-term loans to	Interest rate (% per annum)	Separate financial statements			
		Balance as at 31 December			Balance as at 30 September
		2020	Increase	Decrease	2021
Major Development Estate Company Limited	7.50	1,938,000	160,000	(613,000)	1,485,000
Major Development Commercial Company Limited	7.50	328,500	100,500	-	429,000
Major Development Hotels and Resorts Company Limited	6.90	123,500	36,500	(51,000)	109,000
MJD Residences Company Limited	6.90	378,800	413,500	(547,901)	244,399
MJV2 Co., Ltd.	6.90	-	91,300	-	91,300
MJR Development Company Limited	6.90	-	1,800	-	1,800
Total		2,768,800	803,600	(1,211,901)	2,360,499

(Unit: Thousand Baht)

Long-term loans to	Interest rate (% per annum)	Consolidated financial statements			
		Balance as at 31 December			Balance as at 30 September
		2020	Increase	Decrease	2021
Major Residences Company Limited	MLR - 0.75	183,600	71,400	-	255,000
MJD-JV1 Co., Ltd.	MLR - 1.25	234,600	51,000	-	285,600
	(2020: MLR - 0.75 and 1.25)				
MJV3 Co., Ltd.	MLR + 0.50	83,000	150,000	-	233,000
Total		501,200	272,400	-	773,600
Less: Allowance for impairment loss from investments in joint ventures		(55,213)			(61,909)
Total		445,987			711,691
Less: Current portion		(244,800)			-
Long-term portion		201,187			711,691

(Unaudited but reviewed)

(Unit: Thousand Baht)

Long-term loans to	Interest rate (% per annum)	Separate financial statements			
		Balance as at 31 December 2020	Increase	Decrease	Balance as at 30 September 2021
		Major Residences Company Limited	MLR - 0.75	183,600	71,400
MJD-JV1 Co., Ltd.	MLR - 1.25	234,600	51,000	-	285,600
	(2020: MLR - 0.75 and 1.25)				
MJV3 Co., Ltd.	MLR + 0.50	83,000	150,000	-	233,000
MJR Development Company Limited	6.80	300,000	-	-	300,000
Total		801,200	272,400	-	1,073,600
Less: Current portion		(244,800)			(300,000)
Long-term portion		556,400			773,600

Loans to related parties are due for payment within September 2022 and May 2025.

(Unit: Thousand Baht)

Short-term loans from	Interest rate (% per annum)	Separate financial statements			
		Balance as at 31 December 2020	Increase	Decrease	Balance as at 30 September 2021
		Major Development Residences Company Limited	2.00	106,000	-
MJC Development Company Limited	6.90	-	25,000	(5,000)	20,000
Total		106,000	25,000	(5,000)	126,000

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2021 and 2020, the Group had employee benefit expenses to its 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	
	2021	2020	2021	2020
Short-term employee benefits	25.8	36.4	91.0	151.1
Post-employment benefits	0.5	0.6	1.6	1.9
Total	26.3	37.0	92.6	153.0

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2021	2020	2021	2020
Short-term employee benefits	2.5	2.5	7.5	7.5
Total	2.5	2.5	7.5	7.5

Guarantee obligations with related parties

The Company has obligations in respect of guarantees of the affiliates obtained from banks as described in Note 14.4 to the financial statements, for which no guarantee fee has been charged.

9. Short-term bills of exchange

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated/Separate financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Bills of exchange - Face value			182,000	242,000
Less: Prepaid interest expenses	6.75	6.25 - 6.75	(1,938)	(2,455)
Bills of exchange - net			180,062	239,545

10. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Long-term loans from financial institutions	3,586,363	4,222,337	252,118	-
Less: Current portion	(1,078,142)	(1,549,502)	(252,118)	-
Long-term portion	2,508,221	2,672,835	-	-

(Unaudited but reviewed)

Movements of the long-term loans account during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	4,222,337	-
Add: Additional borrowings	1,633,717	750,000
Less: Repayment	(2,269,691)	(497,882)
Balance as at 30 September 2021	<u>3,586,363</u>	<u>252,118</u>

Long-term loans of the Group have principal repayment conditions with the rates stipulated in the loan agreements when the collaterals mortgaged with the banks are redeemed. Interest is charged at rate based on MLR. Full settlement of these loans is to be made within 2021 - 2029.

The Group has placed deposits at banks and mortgaged the real estate development cost, investment properties and the land and buildings, with banks to secure the long-term loans. In addition, long-term loans of subsidiaries are guaranteed by the Company.

Certain loan agreements contain covenants that, among other things, require the Group to maintain a debt to equity ratio. Debt is defined all interest bearing debt and equity includes shareholder's equity and loans from related parties.

As at 30 September 2021, subsidiaries had credit facilities which have not drawn down of Baht 4,720 million (31 December 2020: Baht 5,013 million).

11. Debentures

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

The debentures contain term of issue relating to the transfer or disposal of assets, no declaration 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 loans from related parties and equity is defined as shareholder's equity.

(Unaudited but reviewed)

The outstanding balance of debentures as at 30 September 2021 and 31 December 2020 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
	2021	2020	2021	2020	2021	2020	2021	2020
2019	6.8	6.7 - 7.0	2.5	2 - 2.5	700	4,000	700	4,000
2020	6.8	6.8	2 - 2.8	2 - 2.8	2,139	2,139	1,989	1,989
2021	6.4 - 6.8	-	1.5 - 2.5	-	2,898	-	2,298	-
Total debentures - Face value					5,737	6,139	4,987	5,989
Less: Prepaid interest expenses					(6)	(6)	(6)	(6)
Less: Unamortised costs relating to the issuance of the debentures					(46)	(38)	(37)	(34)
Debentures - net					5,685	6,095	4,944	5,949
Less: Current portion					(1,047)	(3,291)	(1,047)	(3,291)
Long-term portion					4,638	2,804	3,897	2,658

The total debentures of Baht 1,100 million, which were issued in 2020 and 2021, are secured by the mortgage of the subsidiaries' real estate development cost, land and building and investment properties.

12. 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 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	1,028	23,016	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	960	(18,464)	646	2,133
Income tax expenses reported in the statements of income	1,988	4,552	646	2,133

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	2,499	120,103	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	32,914	(44,689)	4,710	2,342
Income tax expenses reported in the statements of income	35,413	75,414	4,710	2,342

13. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have three reportable segments as follows:

- The property development business segment, which engages in the development of land and houses and residential condominium units for sale
- The hotel business segment, which engages in the provision of services relating to rooms, food and beverages and other services related to accommodation and travel
- The rental and service business segment, which engages in the rental of spaces in office buildings

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Group's 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 Group's operating segments for the three-month and nine-month periods ended 30 September 2021 and 2020 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September								Consolidated financial statements	
	Development of properties for sales		Hotel business		Rental business		Elimination			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from external customers	950	1,457	23	44	26	24	(22)	(23)	977	1,502
Segment operating profit (loss)	46	104	(20)	(12)	18	12	-	2	44	106
Unallocated income and expenses:										
Other income									13	11
Finance cost									(136)	(121)
Income tax expenses									(2)	(4)
Loss for the period									(81)	(8)

(Unit: Million Baht)

	For the nine-month periods ended 30 September								Consolidated financial statements	
	Development of properties for sales		Hotel business		Rental business		Elimination			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from external customers	3,296	5,206	52	114	76	73	(67)	(79)	3,357	5,314
Segment operating profit (loss)	219	548	(67)	(52)	41	23	(1)	(3)	192	516
Unallocated income and expenses:										
Other income									64	35
Finance cost									(459)	(365)
Income tax expenses									(35)	(75)
Profit (loss) for the period									(238)	111

14. Commitments and contingent liabilities

14.1 Capital commitments

The subsidiaries had capital commitments as follows.

(Unit: Million Baht)

	30 September 2021	31 December 2020
To sell and purchase of land agreements	773	2,565
To sell and purchase of share agreement	1,300	1,255

14.2 Servitude

As at 30 September 2021, subsidiaries had servitude over land approximately 5 rai (31 December 2020: 5 rai). Cost of servitude over land is included in real estate development cost, investment properties, and property, plant and equipment.

(Unaudited but reviewed)

14.3 Commitments from construction agreements related to project development and office building for rental

As at 30 September 2021, subsidiaries had commitments from construction agreements related to project development and office building for rental of Baht 88 million (31 December 2020: Baht 259 million).

14.4 Bank guarantees

- (1) As at 30 September 2021, the Company has guaranteed bank credit facilities of related parties amounting to Baht 13,342 million (31 December 2020: Baht 13,634 million).
- (2) As at 30 September 2021 and 31 December 2020, there were outstanding bank guarantees issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Bank guarantees for electricity use	3	3	1	1
Bank guarantees for public utility	1	1	-	-
Bank guarantees for payments due to creditors	3	4	-	-
Total	7	8	1	1

As at 30 September 2021, the Group pledged deposits at banks of Baht 5.3 million (Separate financial statements: Baht 0.8 million) (31 December 2020: Baht 6.7 million, Separate financial statements: Baht 1.9 million) and mortgaged the land and construction of condominium projects with the banks to secure the issuance of bank guarantees.

14.5 Long-term service commitment

In September 2013, a subsidiary has entered into management agreement with a local company whereby the latter will provide the hotel management services to the subsidiary. The term of the management agreement is 10 years, starting from the hotel renovation is completed. Under the terms of the above agreement, the subsidiary commits to pay a management fee and incentive fee, at the rates indicated in the agreement.

14.6 Litigations

As at 30 September 2021, the following lawsuits have been filed against the Group and joint ventures.

- a) The Group was sued by third parties on ground of seeking refunds of payments for condominiums, payment of construction and other expenses, and a joint defendant with the constructor for damaged properties in 33 cases, claiming damages of Baht 205 million. Currently, the cases are being investigated. However, the Group's management and its legal consultant have determined the possible losses from the litigations and recorded provision amounting to Baht 124 million in its accounts.
- b) A subsidiary filed a lawsuit against a land seller claiming the return of land deposits of Baht 100 million as the seller failed to transfer the land ownership to the subsidiary. In January 2021, the Court of First Instance ordered the seller to pay the land deposit to the subsidiary with interest at the rate of 7.5% per annum starting from 5 January 2017. Currently, the seller is in the process of filing an appeal with the Appeal Court. However, the Group's management and its legal consultant are of the opinion that the subsidiary is likely to win the case at the Appeal Court. Consequently, the management assessed recoverable amount of such deposit and recorded Baht 13 million as allowance for doubtful debts for estimated losses 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 million. However, the customer countersued the joint venture on the grounds that the joint venture failed to deliver the work within the agreed deadline and demanded compensatory damages for the work delay of Baht 202 million. 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.

(Unaudited but reviewed)

- d) A joint venture was sued by third party on ground of seeking breach of construction contract and refunds accrued payment of construction claiming damages of Baht 218 million. However, a joint venture countersued on the ground that third party failed to deliver the work within the agreed deadline and demanded compensatory damages for the work delay of Baht 422 million. Currently, the case is considering by the Court of First Instance. 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 case and considers that the case 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.

15. Fair value of financial instruments

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

As at 30 September 2021 and 31 December 2020, the Group had the financial liability for which fair value are disclosed using inputs categorised as level 2 are follows:

(Unit: Million Baht)

	Consolidated financial statements			
	30 September 2021		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Long-term debentures	5,685	5,721	6,095	6,157

(Unit: Million Baht)

	Separate financial statements			
	30 September 2021		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Long-term debentures	4,944	4,983	5,949	6,007

During the current period, there was no transfer within the fair value hierarchy.

16. Approval of interim financial statements

The interim financial statements were authorised for issue by the Company's Board of Directors on 11 November 2021.