

Major Development Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and six-month periods ended 30 June 2022

## **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 June 2022, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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*.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 11 August 2022

**Major Development Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 June 2022**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	30 June 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		656,979	539,048	141,573	51,864
Trade and other receivables	2, 5	130,579	178,296	1,170,413	1,177,006
Short-term loans to related parties	5	-	-	2,554,200	2,435,285
Current portion of long-term loans to related parties	5	-	-	300,000	300,000
Real estate development cost	3	7,090,918	7,030,174	113,874	138,070
Advances for construction		171,989	95,621	44,643	44,643
Deposits for purchase of land		66,781	96,106	-	-
Cost to obtain contracts with customers		51,313	67,171	-	-
Other current assets		77,892	153,171	9,386	6,397
<b>Total current assets</b>		<b>8,246,451</b>	<b>8,159,587</b>	<b>4,334,089</b>	<b>4,153,265</b>
<b>Non-current assets</b>					
Restricted bank deposits	13.2	38,020	41,026	761	761
Prepayment for purchase of shares		695,061	546,236	-	-
Investments in subsidiaries		-	-	4,931,324	4,931,324
Investments in joint ventures	4	187,147	103,930	68,091	68,091
Long-term loans to related parties	5	769,481	790,891	776,795	829,700
Investment properties	6	3,296,055	3,785,440	819,314	819,314
Property, plant and equipment		2,285,549	2,222,931	47,262	49,803
Intangible assets		17,735	16,495	1,016	1,664
Deposits for purchase of land		87,500	87,500	-	-
Deferred tax assets		154,473	120,264	1,526	2,287
Other non-current assets		89,288	79,688	22,973	22,983
<b>Total non-current assets</b>		<b>7,620,309</b>	<b>7,794,401</b>	<b>6,669,062</b>	<b>6,725,927</b>
<b>Total assets</b>		<b>15,866,760</b>	<b>15,953,988</b>	<b>11,003,151</b>	<b>10,879,192</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 June 2022**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans	7	150,000	178,306	-	178,306
Trade and other payables		365,958	324,129	398,015	394,783
Retention payables		160,748	178,010	17,964	17,990
Deposits and advances from customers		320,899	341,559	23,526	21,600
Short-term loans from related parties	5	-	-	269,350	143,000
Current portion of long-term loans from financial institutions	9	548,652	732,025	-	-
Current portion of lease liabilities		10,039	11,311	723	703
Current portion of debentures	10	2,381,382	2,777,054	1,634,336	2,182,154
Income tax payable		10,500	263	-	-
Other current liabilities		234,836	243,955	198,229	210,430
<b>Total current liabilities</b>		<b>4,183,014</b>	<b>4,786,612</b>	<b>2,542,143</b>	<b>3,148,966</b>
<b>Non-current liabilities</b>					
Long-term bill of exchange	8	39,206	-	39,206	-
Long-term loans from financial institutions	9	2,198,105	2,195,765	-	-
Debentures	10	3,963,808	3,310,102	3,963,808	3,162,103
Lease liabilities		16,932	19,241	124	490
Provision for long-term employee benefits		55,751	52,143	-	-
Deferred tax liabilities		247,168	250,339	141,613	141,613
Other non-current liabilities		34,273	29,899	-	-
<b>Total non-current liabilities</b>		<b>6,555,243</b>	<b>5,857,489</b>	<b>4,144,751</b>	<b>3,304,206</b>
<b>Total liabilities</b>		<b>10,738,257</b>	<b>10,644,101</b>	<b>6,686,894</b>	<b>6,453,172</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 June 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>30 June 2022</b>	<b>31 December 2021</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
	<b>(Unaudited but reviewed)</b>	<b>(Audited)</b>	<b>(Unaudited but reviewed)</b>	<b>(Audited)</b>
<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
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	3,020,100	3,201,250	2,475,578	2,585,341
Other components of shareholders' equity	267,549	267,549	-	-
Equity attributable to owners of the Company	5,128,328	5,309,478	4,316,257	4,426,020
Non-controlling interests of the subsidiaries	175	409	-	-
<b>Total shareholders' equity</b>	<b>5,128,503</b>	<b>5,309,887</b>	<b>4,316,257</b>	<b>4,426,020</b>
<b>Total liabilities and shareholders' equity</b>	<b>15,866,760</b>	<b>15,953,988</b>	<b>11,003,151</b>	<b>10,879,192</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 June 2022**

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

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Revenues</b>					
Sales		603,534	1,089,372	10,384	108,146
Revenues from hotel operations		45,629	13,277	-	-
Management fee income		20,378	25,040	-	-
Rental income		32,123	22,829	1,218	1,218
Other income		22,361	8,368	2,606	194
<b>Total revenues</b>		<b>724,025</b>	<b>1,158,886</b>	<b>14,208</b>	<b>109,558</b>
<b>Expenses</b>					
Cost of sales		453,353	736,157	6,913	86,130
Cost from hotel operations		33,260	27,223	-	-
Cost of management services		16,946	20,052	-	-
Cost of rental		9,174	7,722	-	-
Selling expenses		85,638	148,418	1,833	11,321
Administrative expenses		174,355	194,688	15,467	19,800
<b>Total expenses</b>		<b>772,726</b>	<b>1,134,260</b>	<b>24,213</b>	<b>117,251</b>
<b>Operating profit (loss)</b>		<b>(48,701)</b>	<b>24,626</b>	<b>(10,005)</b>	<b>(7,693)</b>
Share of profit (loss) from investments in joint ventures	4.1	22,022	(1,737)	-	-
Finance income		11,180	10,606	61,703	69,310
Finance cost		(128,980)	(151,461)	(111,125)	(124,815)
<b>Loss before income tax expenses</b>		<b>(144,479)</b>	<b>(117,966)</b>	<b>(59,427)</b>	<b>(63,198)</b>
Income tax income (expenses)	11	12,869	(10,928)	(761)	(2,351)
<b>Loss for the period</b>		<b>(131,610)</b>	<b>(128,894)</b>	<b>(60,188)</b>	<b>(65,549)</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(131,491)	(128,915)	(60,188)	(65,549)
Non-controlling interests of the subsidiaries		(119)	21		
		<b>(131,610)</b>	<b>(128,894)</b>		
<b>Loss per share</b>					
Basic loss per share					
Loss attributable to equity holders of the Company		(0.15)	(0.15)	(0.07)	(0.08)

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 June 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Loss for the period</b>	<b>(131,610)</b>	<b>(128,894)</b>	<b>(60,188)</b>	<b>(65,549)</b>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss	-	(13,805)	-	-
Less: Income tax effect	-	2,761	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	-	(11,044)	-	-
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>(11,044)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(131,610)</b>	<b>(139,938)</b>	<b>(60,188)</b>	<b>(65,549)</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(131,491)	(139,959)	(60,188)	(65,549)
Non-controlling interests of the subsidiaries	(119)	21		
	<b>(131,610)</b>	<b>(139,938)</b>		

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 six-month period ended 30 June 2022**

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

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Revenues</b>					
Sales		1,084,978	2,248,744	29,194	261,283
Revenues from hotel operations		73,372	29,422	-	-
Management fee income		40,233	50,627	-	-
Rental income		61,131	45,047	2,436	2,436
Other income		49,420	39,132	2,849	2,571
<b>Total revenues</b>		<b>1,309,134</b>	<b>2,412,972</b>	<b>34,479</b>	<b>266,290</b>
<b>Expenses</b>					
Cost of sales		808,848	1,448,127	24,196	198,619
Cost from hotel operations		62,326	56,344	-	-
Cost of management services		33,797	41,132	-	-
Cost of rental		19,023	15,261	-	-
Selling expenses		162,034	331,411	3,535	26,687
Administrative expenses		310,926	326,428	23,192	32,969
<b>Total expenses</b>		<b>1,396,954</b>	<b>2,218,703</b>	<b>50,923</b>	<b>258,275</b>
<b>Operating profit (loss)</b>		<b>(87,820)</b>	<b>194,269</b>	<b>(16,444)</b>	<b>8,015</b>
Share of profit (loss) from investments in joint ventures	4.1	114,712	(11,972)	-	-
Finance income		21,518	17,476	121,238	136,840
Finance cost		(250,917)	(323,126)	(213,796)	(268,057)
<b>Loss before income tax expenses</b>		<b>(202,507)</b>	<b>(123,353)</b>	<b>(109,002)</b>	<b>(123,202)</b>
Income tax income (expenses)	11	21,123	(33,425)	(761)	(4,064)
<b>Loss for the period</b>		<b>(181,384)</b>	<b>(156,778)</b>	<b>(109,763)</b>	<b>(127,266)</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(181,150)	(156,799)	(109,763)	(127,266)
Non-controlling interests of the subsidiaries		(234)	21		
		<b>(181,384)</b>	<b>(156,778)</b>		
<b>Loss per share</b>					
Basic loss per share					
Loss attributable to equity holders of the Company		(0.21)	(0.18)	(0.13)	(0.15)

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 six-month period ended 30 June 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Loss for the period</b>	<b>(181,384)</b>	<b>(156,778)</b>	<b>(109,763)</b>	<b>(127,266)</b>
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	-	2,761	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	-	(11,044)	-	-
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>(11,044)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(181,384)</b>	<b>(167,822)</b>	<b>(109,763)</b>	<b>(127,266)</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(181,150)	(167,843)	(109,763)	(127,266)
Non-controlling interests of the subsidiaries	(234)	21		
	<b>(181,384)</b>	<b>(167,822)</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 changes in shareholders' equity**

**For the six-month period ended 30 June 2022**

(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 equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets			
<b>Balance as at 1 January 2021</b>	860,412	875,267	105,000	3,565,368	247,456	5,653,503	-	5,653,503
Profit (loss) for the period	-	-	-	(156,799)	-	(156,799)	21	(156,778)
Other comprehensive income for the period	-	-	-	(11,044)	-	(11,044)	-	(11,044)
Total comprehensive income for the period	-	-	-	(167,843)	-	(167,843)	21	(167,822)
Additional investment in subsidiary of non-controlling interests of subsidiary	-	-	-	-	-	-	100	100
<b>Balance as at 30 June 2021</b>	860,412	875,267	105,000	3,397,525	247,456	5,485,660	121	5,485,781
<b>Balance as at 1 January 2022</b>	860,412	875,267	105,000	3,201,250	267,549	5,309,478	409	5,309,887
Total comprehensive income for the period	-	-	-	(181,150)	-	(181,150)	(234)	(181,384)
<b>Balance as at 30 June 2022</b>	860,412	875,267	105,000	3,020,100	267,549	5,128,328	175	5,128,503
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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 six-month period ended 30 June 2022**

(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 1 January 2021</b>	860,412	875,267	105,000	2,871,597	4,712,276
Total comprehensive income for the period	-	-	-	(127,266)	(127,266)
<b>Balance as at 30 June 2021</b>	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,744,331</u>	<u>4,585,010</u>
<b>Balance as at 1 January 2022</b>	860,412	875,267	105,000	2,585,341	4,426,020
Total comprehensive income for the period	-	-	-	(109,763)	(109,763)
<b>Balance as at 30 June 2022</b>	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,475,578</u>	<u>4,316,257</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 six-month period ended 30 June 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>				
Loss before tax	(202,507)	(123,353)	(109,002)	(123,202)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	53,030	65,729	3,189	3,462
Allowance for expected credit losses	46	474	-	-
Loss (gain) on sale and write-off of assets	(1,375)	18,467	(1,800)	(1,455)
Write-off of withholding tax deducted at source	-	6,344	-	4,787
Provision for long-term employee benefits (reversal)	3,608	(20,233)	-	-
Share of loss (profit) from investments in joint ventures	(114,712)	11,972	-	-
Finance income	(21,518)	(17,476)	(121,238)	(136,840)
Finance cost	236,594	305,042	202,873	252,113
Profit (loss) from operating activities before changes in operating assets and liabilities	(46,834)	246,966	(25,978)	(1,135)
Operating assets (increase) decrease				
Trade and other receivables	21,250	2,311	3,823	(16,480)
Real estate development cost	502,906	596,279	24,196	196,830
Advances for construction	(76,368)	26,203	-	40
Deposits for purchase of land	-	137,813	-	37,077
Cost to obtain contracts with customers	15,858	101,994	-	-
Other current assets	3,870	(7,855)	(409)	(247)
Other non-current assets	(9,600)	(894)	10	-

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 six-month period ended 30 June 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Operating liabilities increase (decrease)				
Trade and other payables	33,027	(283,108)	(7,779)	91,140
Retention payables	(17,262)	(109,294)	(26)	(2,054)
Deposits and advances from customers	(20,660)	(277,512)	1,926	(11,042)
Other current liabilities	(9,119)	(9,410)	(12,201)	(5,637)
Other non-current liabilities	4,374	3,608	-	-
<b>Cash flows from (used in) operating activities</b>	<b>401,442</b>	<b>427,101</b>	<b>(16,438)</b>	<b>288,492</b>
Interest paid	(281,263)	(360,589)	(189,076)	(261,588)
Cash received from withholding tax deducted at source	-	4,903	-	-
Corporate income tax paid	(21,898)	(75,721)	(2,579)	(4,179)
<b>Net cash from (used in) operating activities</b>	<b>98,281</b>	<b>(4,306)</b>	<b>(208,093)</b>	<b>22,725</b>
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	3,006	2,435	-	1,107
Acquisition of investment properties	(205)	(5,175)	-	-
Acquisition of building and equipment	(9,257)	(13,035)	-	(6)
Cash received from sales of equipment	1,805	5,410	1,800	1,553
Acquisition of intangible assets	(3,174)	(1,316)	-	(64)
Prepayment for purchase of shares	(148,825)	(32,668)	-	-
Cash payment for investment in subsidiary	-	-	-	(2,000)
Cash received from short-term loans to related parties	-	-	118,000	625,764
Cash payment for short-term loans to related parties	-	-	(236,915)	(654,800)
Cash received from long-term loans to related parties	52,905	-	52,905	-
Cash payment for long-term loans to related parties	-	(272,400)	-	(272,400)
Interest received	48,606	1,794	77,408	86,447
<b>Net cash from (used in) investing activities</b>	<b>(55,139)</b>	<b>(314,955)</b>	<b>13,198</b>	<b>(214,399)</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 six-month period ended 30 June 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans	(32,000)	(60,000)	(182,000)	(60,000)
Cash received from short-term loans from related parties	-	-	193,450	-
Repayment of short-term loans from related parties	-	-	(20,500)	-
Cash received from long-term bill of exchange	44,000	-	44,000	-
Repayment of lease liabilities	(4,870)	(5,373)	(346)	(329)
Cash received from debentures	1,300,000	2,373,700	1,300,000	1,773,700
Repayment of debentures	(1,050,000)	(2,500,000)	(1,050,000)	(2,500,000)
Cash received from long-term loans from				
financial institutions	255,400	1,210,717	-	677,000
Repayment of long-term loans from financial institutions	(437,741)	(1,748,832)	-	(212,764)
<b>Net cash from (used in) financing activities</b>	<b>74,789</b>	<b>(729,788)</b>	<b>284,604</b>	<b>(322,393)</b>
Net increase (decrease) in cash and cash equivalents	117,931	(1,049,049)	89,709	(514,067)
Cash and cash equivalents at beginning of period	539,048	1,548,127	51,864	676,542
<b>Cash and cash equivalents at end of period</b>	<b>656,979</b>	<b>499,078</b>	<b>141,573</b>	<b>162,475</b>
	-	-	-	-

**Supplemental cash flows information**

## Non-cash items

Decrease in interest receivable from related parties by

offset with short-term loans from related parties

- - 46,600 -

Acquisition of assets under lease agreement

1,747 - - -

Transferred investment properties to real estate

development cost

489,560 - - -

Transferred real estate development cost to

property, plant and equipment

16,948 - - -

Transferred deposit for purchase of condominium unit to

property, plant and equipment

86,162 - - -

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 six-month periods ended 30 June 2022**

**1. General information**

**1.1 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.

**1.2 Basis of consolidation**

These interim consolidated financial statements include the financial statements of Major Development Public Company Limited and its subsidiaries (collectively as "the Group"), and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021, with no change in shareholding structure of subsidiaries during the current period.

**1.3 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group's financial statements.

(Unaudited but reviewed)

## 2. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Past due				
Up to 3 months	12,313	15,493	-	-
3 - 6 months	749	121	-	-
6 - 12 months	598	827	-	-
Over 12 months	3,617	3,508	-	-
Total	17,277	19,949	-	-
Less: Allowance for expected credit losses	(840)	(794)	-	-
Total trade receivables - unrelated parties, net	16,437	19,155	-	-
<u>Other receivables</u>				
Other receivables and advances -				
related parties	19,535	37,606	671,909	675,629
Other receivables and advances -				
unrelated parties	19,936	19,776	5,834	5,939
Interest receivables - related parties	74,671	101,759	492,670	495,438
Total other receivables	114,142	159,141	1,170,413	1,177,006
Total trade and other receivables - net	130,579	178,296	1,170,413	1,177,006

## 3. Real estate development cost

- 3.1 During the six-month period ended 30 June 2022, subsidiaries capitalised interest amounting to Baht 62 million (2021: Baht 47 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 9 to the financial statements.



(Unaudited but reviewed)

- 3.2 As at 30 June 2022 and 31 December 2021, the Group has mortgaged some project land and construction thereon as collateral against credit facilities received from banks and short-term loans from unrelated parties, 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 June 2022	31 December 2021	30 June 2022	31 December 2021
Net book values of land and construction thereon that have been mortgaged as collateral	5,724	5,508	-	-
Net book values of land and construction thereon that have been guaranteed as collateral at the Court	52	52	52	52

#### 4. Investments in joint ventures

##### 4.1 Share of profit (loss)

During the three-month and six-month periods ended 30 June 2022 and 2021, the Company recognised its share of profit (loss) from investments in joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of profit (loss) from investments in joint ventures			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
Major Residences Company Limited	(2,738)	3,868	(20,669)	(1,710)
TMDC Construction Company Limited	87	(49)	21	(576)
MJD-JV1 Co., Ltd.	26,428	(3,498)	139,337	(6,644)
MJV3 Co., Ltd.	(2,238)	(2,058)	(4,380)	(3,042)
Techscope Co., Ltd.	483	-	403	-
Total	22,022	(1,737)	114,712	(11,972)

## 5. 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. There were no significant changes in the transfer pricing policy of transactions with related parties during the current periods, except for the new business transactions as follows:

Transactions	Transfer pricing policy
Purchase of condominium unit	Close to the prices which other customers were charged in the same project
Purchase of intangible assets	Market price
Service fee	Market price

Summaries significant business transaction with related parties as follows.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Interest income	-	-	50,756	59,106
Rental income	-	-	1,218	1,218
Other expenses	-	-	1,681	1,997
<u>Transactions with related parties</u>				
Interest income	10,374	9,265	10,374	9,265
Management income	-	5,700	-	-
Purchase of condominium unit	86,162	-	-	-
Purchase of intangible assets	3,424	-	-	-
Service fee	1,995	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Interest income	-	-	99,968	120,003
Rental income	-	-	2,436	2,436
Other expenses	-	-	3,115	4,868
<u>Transactions with related parties</u>				
Interest income	20,697	15,683	20,697	15,683
Management income	-	11,400	-	-
Purchase of condominium unit	86,162	-	-	-
Purchase of intangible assets	3,424	-	-	-
Service fee	1,995	-	-	-

As at 30 June 2022 and 31 December 2021, 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 June 2022	31 December 2021	30 June 2022	31 December 2021
<b><u>Other receivables - related parties (Note 2)</u></b>				
Subsidiaries	-	-	1,070,917	1,046,600
Joint ventures	94,206	139,365	93,662	124,467
Total other receivables - related parties	<u>94,206</u>	<u>139,365</u>	<u>1,164,579</u>	<u>1,171,067</u>
<b><u>Deposit for purchase of condominium unit (presented in other current assets)</u></b>				
Joint venture	-	86,829	-	-
Total deposit for purchase of condominium unit	<u>-</u>	<u>86,829</u>	<u>-</u>	<u>-</u>
<b><u>Other payables - related parties</u></b>				
Subsidiaries	-	-	321,161	319,443
Joint ventures	2,686	1,394	1,392	1,392
Director	2,302	-	-	-
Total other payables - related parties	<u>4,988</u>	<u>1,394</u>	<u>322,553</u>	<u>320,835</u>

(Unaudited but reviewed)

Loans to related parties and loans from related parties

As at 30 June 2022 and 31 December 2021, the balances of loans between the Group and those related parties and the movements are as follows:

(Unit: Thousand Baht)

Short-term loans to	Separate financial statements			Balance as at 30 June 2022
	Balance as at 31 December 2021	Increase	Decrease	
Major Development Estate Company Limited	1,480,000	98,000	(101,000)	1,477,000
Major Development Commercial Company Limited	679,000	22,000	-	701,000
Major Development Hotels and Resorts Company Limited	135,000	13,000	(7,000)	141,000
MJV2 Co., Ltd.	130,200	73,800	(10,000)	194,000
MJR Development Company Limited	5,400	17,100	-	22,500
MJP Property Company Limited	5,685	7,015	-	12,700
MJV4 Co., Ltd.	-	5,000	-	5,000
MJ One Company Limited	-	1,000	-	1,000
Total	<u>2,435,285</u>	<u>236,915</u>	<u>(118,000)</u>	<u>2,554,200</u>

Short-term loans to related parties carry interests between 6.9 and 7.5% per annum and are due at call.

(Unit: Thousand Baht)

Long-term loans to	Consolidated financial statements			Balance as at 30 June 2022
	Balance as at 31 December 2021	Increase	Decrease	
Major Residences Company Limited	270,300	-	-	270,300
MJD-JV1 Co., Ltd.	316,200	-	(52,905)	263,295
MJV3 Co., Ltd.	243,200	-	-	243,200
Total	<u>829,700</u>	<u>-</u>	<u>(52,905)</u>	<u>776,795</u>
Less: Allowance for impairment loss from investments in joint ventures	<u>(38,809)</u>			<u>(7,314)</u>
Net	<u>790,891</u>			<u>769,481</u>

Long-term loans to related parties carry interests at the rate based on MLR per annum and are due for payment within December 2023 and November 2025.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Long-term loans to	Separate financial statements			
	Balance as at			Balance as at
	31 December			30 June
	2021	Increase	Decrease	2022
Major Residences Company Limited	270,300	-	-	270,300
MJD-JV1 Co., Ltd.	316,200	-	(52,905)	263,295
MJV3 Co., Ltd.	243,200	-	-	243,200
MJR Development Company Limited	300,000	-	-	300,000
Total	1,129,700	-	(52,905)	1,076,795
Less: Current portion	(300,000)			(300,000)
Long-term portion	829,700			776,795

Long-term loans to related parties carry interests at the rate of 6.8% per annum and at the rate based on MLR per annum and are due for payment within September 2022 and November 2025.

(Unit: Thousand Baht)

Short-term loans from	Separate financial statements			
	Balance as at			Balance as at
	31 December			30 June
	2021	Increase	Decrease	2022
Major Development Residences Company Limited	106,000	-	(500)	105,500
MJD Residences Company Limited	37,000	83,450	(66,600)	53,850
MJP Property Company Limited	-	110,000	-	110,000
Total	143,000	193,450	(67,100)	269,350

Short-term loans from related parties carry interests between 2.0 to 7.0% per annum (31 December 2021: 2.0 to 6.9% per annum) and are due at call.

#### Directors and management's remuneration

During the three-month and six-month periods ended 30 June 2022 and 2021, 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 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
Short-term employee benefits	28.3	33.4	54.5	65.2
Post-employment benefits	1.0	0.8	1.9	1.4
Total	29.3	34.2	56.4	66.6

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
Short-term employee benefits	0.3	2.5	2.2	5.0
Total	0.3	2.5	2.2	5.0

#### Guarantee obligations with related parties

The Company has obligations in respect of guarantees of the affiliates obtained from banks as described in Note 13.2 to the financial statements, for which no guarantee fee has been charged.

#### **6. Investment properties**

Movements of the investment properties account during the six-month period ended 30 June 2022 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	3,785,440	819,314
Additions during the period	205	-
Transferred to real estate development cost	(489,560)	-
Adjust	(30)	-
Balance as at 30 June 2022	3,296,055	819,314

The Group has mortgaged investment properties with carrying values as at 30 June 2022 amounting to Baht 2,775 million (Separate financial statements: Baht 814 million) (31 December 2021: Baht 3,637 million, Separate financial statements: Baht 814 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. Short-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
Bills of exchange	-	182,000	-	182,000
Loans from unrelated parties	150,000	-	-	-
Total	150,000	182,000	-	182,000
Less: Prepaid interest expenses	-	(3,694)	-	(3,694)
Short-term loans - net	150,000	178,306	-	178,306

Short-term loans carry interests at the rate of 6.75% per annum and are due for payment within October to December 2022.

The subsidiary has mortgaged the real estate development cost with unrelated parties to secure the loans from unrelated parties.

## 8. Long-term bill of exchange

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	30 June	31 December
	2022	2021
Long-term bills of exchange	44,000	-
Less: Prepaid interest expenses	(4,794)	-
Bills of exchange - net	39,206	-

This represents unsecured bill of exchange which carry interests at the rate of 6.20% per annum and are due for payment within May 2024.

(Unaudited but reviewed)

## 9. Long-term loans from financial institutions

Movements of the long-term loans account during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2022	2,927,790
Add: Additional borrowings	255,400
Amortisation of financial fees	1,308
Less: Repayment	(437,741)
Total	2,746,757
Less: Portion due within one year	(548,652)
Balance as at 30 June 2022 - net	2,198,105

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 2022 - 2033.

The Group has pledged bank deposits and mortgaged most of the assets, i.e., real estate development cost, investment properties and land and buildings, with banks to secure 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 include shareholder's equity and loans from related parties.

As at 30 June 2022, subsidiaries had credit facilities which have not drawn down of Baht 5,132 million (31 December 2021: Baht 5,529 million).



(Unaudited but reviewed)

## 10. Debentures

Movements of debentures account during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2022	6,087,156	5,344,257
Add: Additional borrowings	1,300,000	1,300,000
Amortisation of costs relating to the issuance of the debentures	8,034	3,887
Less: Repayment	(1,050,000)	(1,050,000)
Total	6,345,190	5,598,144
Less: Portion due within one year	(2,381,382)	(1,634,336)
Balance as at 30 June 2022 - net	<u>3,963,808</u>	<u>3,963,808</u>

Debentures carry interests between 6.25 and 6.80% per annum and are due for payment within October 2022 and October 2024.

The total debentures of Baht 750 million are secured by the mortgage of the subsidiaries' real estate development cost, land and building and investment properties.

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 Group 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)

## 11. 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 six-month periods ended 30 June 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Interim corporate income tax charge	8,682	881	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(21,551)	10,047	761	2,351
<b>Income tax expenses (income) reported in the statements of income</b>	<u>(12,869)</u>	<u>10,928</u>	<u>761</u>	<u>2,351</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Interim corporate income tax charge	16,257	1,471	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(37,380)	31,954	761	4,064
<b>Income tax expenses (income) reported in the statements of income</b>	<u>(21,123)</u>	<u>33,425</u>	<u>761</u>	<u>4,064</u>

## 12. 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 six-month periods ended 30 June 2022 and 2021 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Development of		Hotel business		Rental		Elimination		Consolidated	
	properties for sales				business				financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from external										
customers	<u>656</u>	<u>1,137</u>	<u>45</u>	<u>13</u>	<u>34</u>	<u>25</u>	<u>(19)</u>	<u>(22)</u>	<u>716</u>	<u>1,153</u>
Segment operating profit (loss)	<u>(51)</u>	<u>28</u>	<u>(5)</u>	<u>(23)</u>	<u>20</u>	<u>11</u>	<u>1</u>	<u>(1)</u>	<u>(35)</u>	<u>15</u>
Unallocated income and expenses:										
Other income									20	17
Finance cost									(129)	(151)
Income tax income (expenses)									13	(10)
Loss for the period									<u>(131)</u>	<u>(129)</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Development of		Hotel business		Rental		Elimination		Consolidated	
	properties for sales				business				financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from external										
customers	<u>1,195</u>	<u>2,346</u>	<u>73</u>	<u>29</u>	<u>65</u>	<u>50</u>	<u>(38)</u>	<u>(45)</u>	<u>1,295</u>	<u>2,380</u>
Segment operating profit (loss)	<u>(3)</u>	<u>173</u>	<u>(21)</u>	<u>(47)</u>	<u>37</u>	<u>23</u>	<u>-</u>	<u>(1)</u>	<u>13</u>	<u>148</u>
Unallocated income and expenses:										
Other income									36	51
Finance cost									(251)	(323)
Income tax income (expenses)									21	(33)
Loss for the period									<u>(181)</u>	<u>(157)</u>

(Unaudited but reviewed)

### 13. Commitments and contingent liabilities

#### 13.1 Capital commitments

The Group had capital commitments as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	30 June 2022	31 December 2021
<u>Subsidiaries</u>		
Construction agreements related to project development	1,507	69
Construction agreements related to office building for rental	16	16
Sell and purchase of land agreements	602	746
Sell and purchase of share agreement	1,135	1,284
<u>Joint ventures</u>		
Construction agreements related to project development	15	15

#### 13.2 Bank guarantees

- (1) As at 30 June 2022, the Company has guaranteed bank credit facilities of related parties amounting to Baht 11,150 million (31 December 2021: Baht 11,622 million).
- (2) As at 30 June 2022 and 31 December 2021, 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 financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Bank guarantees for electricity use	3	3	1	1
Bank guarantees for public utility	64	64	-	-
Bank guarantees for payments due to creditors	-	3	-	-

As at 30 June 2022, the Group pledged deposits at banks of Baht 2.3 million (Separate financial statements: Baht 0.8 million) (31 December 2021: Baht 5.3 million, Separate financial statements: Baht 0.8 million) and mortgaged the land and some items construction of condominium projects with the banks to secure the issuance of bank guarantees.

**13.3 Servitude**

As at 30 June 2022, subsidiaries had servitude over land approximately 7 rai (31 December 2021: 2 rai). Cost of servitude over land is included in real estate development cost, investment properties, and property, plant and equipment.

**13.4 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.

**13.5 Litigations**

As at 30 June 2022, the Group and joint ventures has been sued in lawsuits related to breaches of contracts, contract termination, refunds and damages with total claims of approximately Baht 433 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. The cases are currently being heard by the Court of First Instance, Court of Appeal and Supreme Court and have not been finalised. The Group's management and its legal consultant have determined the possible losses from the litigations and recorded provision amounting to Baht 130 million in its accounts.

In addition, during the current period, there have been no significant changes with respect to the lawsuit and dispute related to the return of deposits for the purchase of land and construction service fees as disclosed in Notes 32.7 b) and 32.7 c) to the consolidated financial statements for the year 2021.

**14. 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 June 2022 and 31 December 2021, 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 June 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Long-term debentures	6,345	6,401	6,087	6,144

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	30 June 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Long-term debentures	5,598	5,651	5,344	5,394

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

#### **15. Event after the reporting period**

On 11 August 2022, a meeting of the Company's Board of Directors passed a resolution to increase the registered share capital of MJR Development Company Limited from Baht 600 million to Baht 750 million, by issuing 15 million additional ordinary shares with a par value of Baht 10.

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

The interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2022.