

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 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 September 2022, 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*.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 14 November 2022

Major Development Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	30 September 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
Assets					
Current assets					
Cash and cash equivalents		576,980	539,048	19,869	51,864
Trade and other receivables	2, 5	138,888	178,296	1,221,670	1,177,006
Short-term loans to related parties	5	-	-	2,954,300	2,435,285
Current portion of long-term loans to related parties	5	-	-	300,000	300,000
Real estate development cost	3	6,932,299	7,030,174	89,769	138,070
Advances for construction		200,817	95,621	42,701	44,643
Deposits for purchase of land		120,013	96,106	-	-
Cost to obtain contracts with customers		39,414	67,171	-	-
Other current assets		65,498	153,171	4,895	6,397
Total current assets		8,073,909	8,159,587	4,633,204	4,153,265
Non-current assets					
Restricted bank deposits	14.2	26,077	41,026	764	761
Prepayment for purchase of shares		710,300	546,236	-	-
Investments in subsidiaries		-	-	4,931,324	4,931,324
Investments in joint ventures	4	184,422	103,930	68,091	68,091
Long-term loans to related parties	5	766,748	790,891	776,795	829,700
Investment properties	6	3,392,845	3,785,440	819,314	819,314
Property, plant and equipment	7	2,196,493	2,222,931	46,130	49,803
Intangible assets		17,116	16,495	808	1,664
Deposits for purchase of land		87,500	87,500	-	-
Deferred tax assets		171,362	120,264	1,398	2,287
Other non-current assets		82,345	79,688	22,985	22,983
Total non-current assets		7,635,208	7,794,401	6,667,609	6,725,927
Total assets		15,709,117	15,953,988	11,300,813	10,879,192

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 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	30 September 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans	8	150,000	178,306	-	178,306
Trade and other payables		320,289	324,129	398,641	394,783
Retention payables		160,222	178,010	16,570	17,990
Deposits and advances from customers		284,225	341,559	23,271	21,600
Short-term loans from related parties	5	-	-	724,350	143,000
Current portion of long-term loans from financial institutions	10	1,039,576	732,025	-	-
Current portion of lease liabilities		9,593	11,311	670	703
Current portion of debentures	11	3,180,373	2,777,054	2,955,478	2,182,154
Income tax payable		13,988	263	-	-
Other current liabilities		125,256	243,955	90,602	210,430
Total current liabilities		5,283,522	4,786,612	4,209,582	3,148,966
Non-current liabilities					
Long-term bill of exchange	9	39,846	-	39,846	-
Long-term loans from financial institutions	10	2,380,316	2,195,765	-	-
Debentures	11	2,650,173	3,310,102	2,650,173	3,162,103
Lease liabilities		24,510	19,241	-	490
Provision for long-term employee benefits		57,555	52,143	-	-
Deferred tax liabilities		246,757	250,339	141,613	141,613
Other non-current liabilities		34,479	29,899	-	-
Total non-current liabilities		5,433,636	5,857,489	2,831,632	3,304,206
Total liabilities		10,717,158	10,644,101	7,041,214	6,453,172

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 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
1,050,000,000 ordinary shares of Baht 1 each	1,050,000	1,050,000	1,050,000	1,050,000
Issued and paid-up				
860,411,939 ordinary shares of Baht 1 each	860,412	860,412	860,412	860,412
Premium on ordinary shares	875,267	875,267	875,267	875,267
Retained earnings				
Appropriated - statutory reserve	105,000	105,000	105,000	105,000
Unappropriated	2,883,661	3,201,250	2,418,920	2,585,341
Other components of shareholders' equity	267,549	267,549	-	-
Equity attributable to owners of the Company	4,991,889	5,309,478	4,259,599	4,426,020
Non-controlling interests of the subsidiaries	70	409	-	-
Total shareholders' equity	4,991,959	5,309,887	4,259,599	4,426,020
Total liabilities and shareholders' equity	15,709,117	15,953,988	11,300,813	10,879,192
	-	-	-	-

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

.....
Directors
.....

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 September 2022

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

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Revenues					
Sales		566,458	905,756	16,730	17,660
Revenues from hotel operations		43,094	22,114	-	-
Management fee income		20,510	25,062	-	-
Rental income		34,378	22,440	1,368	1,218
Other income		22,559	5,548	1,841	68
Total revenues		686,999	980,920	19,939	18,946
Expenses					
Cost of sales		395,002	619,535	14,452	11,871
Cost from hotel operations		34,287	28,505	-	-
Cost of management services		17,345	20,812	-	-
Cost of rental		10,473	7,782	-	-
Selling expenses		88,749	103,041	935	1,509
Administrative expenses		163,335	151,591	16,217	8,341
Total expenses		709,191	931,266	31,604	21,721
Operating profit (loss)		(22,192)	49,654	(11,665)	(2,775)
Share of loss from investments in joint ventures	4.1	(5,458)	(2,738)	-	-
Finance income		10,334	9,953	64,812	63,402
Finance cost		(122,172)	(136,225)	(109,677)	(110,562)
Loss before income tax expenses		(139,488)	(79,356)	(56,530)	(49,935)
Income tax income (expenses)	12	2,944	(1,988)	(128)	(646)
Loss for the period		(136,544)	(81,344)	(56,658)	(50,581)
Profit (loss) attributable to:					
Equity holders of the Company		(136,439)	(81,346)	(56,658)	(50,581)
Non-controlling interests of the subsidiaries		(105)	2		
		(136,544)	(81,344)		
Loss per share					
Basic loss per share					
Loss attributable to equity holders of the Company		(0.16)	(0.09)	(0.07)	(0.06)

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Loss for the period	<u>(136,544)</u>	<u>(81,344)</u>	<u>(56,658)</u>	<u>(50,581)</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>(136,544)</u></u>	<u><u>(81,344)</u></u>	<u><u>(56,658)</u></u>	<u><u>(50,581)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>(136,439)</u>	<u>(81,346)</u>	<u><u>(56,658)</u></u>	<u><u>(50,581)</u></u>
Non-controlling interests of the subsidiaries	<u>(105)</u>	<u>2</u>		
	<u><u>(136,544)</u></u>	<u><u>(81,344)</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 2022**

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

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Revenues					
Sales		1,651,436	3,154,500	45,924	278,943
Revenues from hotel operations		116,466	51,536	-	-
Management fee income		60,743	75,689	-	-
Rental income		95,509	67,487	3,804	3,654
Other income		71,979	44,680	4,690	2,639
Total revenues		1,996,133	3,393,892	54,418	285,236
Expenses					
Cost of sales		1,203,850	2,067,662	38,648	210,490
Cost from hotel operations		96,613	84,849	-	-
Cost of management services		51,142	61,944	-	-
Cost of rental		29,496	23,043	-	-
Selling expenses		250,783	434,452	4,470	28,196
Administrative expenses		474,261	478,019	39,409	41,310
Total expenses		2,106,145	3,149,969	82,527	279,996
Operating profit (loss)		(110,012)	243,923	(28,109)	5,240
Share of profit (loss) from investments in joint ventures	4.1	109,254	(14,710)	-	-
Finance income		31,852	27,429	186,050	200,242
Finance cost		(373,089)	(459,351)	(323,473)	(378,619)
Loss before income tax expenses		(341,995)	(202,709)	(165,532)	(173,137)
Income tax income (expenses)	12	24,067	(35,413)	(889)	(4,710)
Loss for the period		(317,928)	(238,122)	(166,421)	(177,847)
Profit (loss) attributable to:					
Equity holders of the Company		(317,589)	(238,145)	(166,421)	(177,847)
Non-controlling interests of the subsidiaries		(339)	23		
		(317,928)	(238,122)		
Loss per share					
Basic loss per share					
Loss attributable to equity holders of the Company		(0.37)	(0.28)	(0.19)	(0.21)

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 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Loss for the period	(317,928)	(238,122)	(166,421)	(177,847)
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)	-	-
Other comprehensive income for the period	-	(11,044)	-	-
Total comprehensive income for the period	(317,928)	(249,166)	(166,421)	(177,847)
Total comprehensive income attributable to:				
Equity holders of the Company	(317,589)	(249,189)	(166,421)	(177,847)
Non-controlling interests of the subsidiaries	(339)	23		
	(317,928)	(249,166)		

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 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			
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 subsidiary of non-controlling interests of subsidiary	-	-	-	-	-	-	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
Balance as at 1 January 2022	860,412	875,267	105,000	3,201,250	267,549	5,309,478	409	5,309,887
Total comprehensive income for the period	-	-	-	(317,589)	-	(317,589)	(339)	(317,928)
Balance as at 30 September 2022	860,412	875,267	105,000	2,883,661	267,549	4,991,889	70	4,991,959
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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 2022

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 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	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,693,750</u>	<u>4,534,429</u>
Balance as at 1 January 2022	860,412	875,267	105,000	2,585,341	4,426,020
Total comprehensive income for the period	-	-	-	(166,421)	(166,421)
Balance as at 30 September 2022	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,418,920</u>	<u>4,259,599</u>
	-	-	-	-	-
	-	-	-	-	-

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of cash flows

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Loss before tax	(341,995)	(202,709)	(165,532)	(173,137)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	81,322	97,282	4,529	5,147
Allowance for expected credit losses	77	472	-	-
Loss (gain) on sale and write-off of assets	8,670	19,342	7,852	(1,458)
Impairment loss on assets	-	2,578	-	-
Write-off of withholding tax deducted at source	-	6,891	-	4,787
Write-off of construction cost estimation	(6,975)	-	(6,975)	-
Provision for long-term employee benefits (reversal)	5,412	(18,108)	-	-
Share of loss (profit) from investments in joint ventures	(109,254)	14,710	-	-
Finance income	(31,852)	(27,429)	(186,050)	(200,242)
Finance cost	351,423	433,760	306,925	356,877
Profit (loss) from operating activities before changes in operating assets and liabilities	(43,172)	326,789	(39,251)	(8,026)
Operating assets (increase) decrease				
Trade and other receivables	22,360	(59,921)	16,643	(66,769)
Real estate development cost	691,803	1,149,400	38,649	208,702
Advances for construction	(107,138)	52,375	-	108
Deposits for purchase of land	(53,232)	124,473	-	37,077
Cost to obtain contracts with customers	27,757	132,115	-	-
Other current assets	4,042	(32,880)	4,605	(157)
Other non-current assets	(2,657)	7,714	(2)	200

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 2022**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Operating liabilities increase (decrease)				
Trade and other payables	(11,677)	(325,179)	(4,790)	88,818
Retention payables	(16,517)	(135,698)	(149)	(2,036)
Deposits and advances from customers	(57,334)	(405,006)	1,671	(8,379)
Other current liabilities	(118,699)	(15,846)	(119,828)	(7,547)
Other non-current liabilities	4,580	4,881	-	-
Cash flows from (used in) operating activities	340,116	823,217	(102,452)	241,991
Interest paid	(419,249)	(508,883)	(279,127)	(361,826)
Cash received from withholding tax deducted at source	17,002	12,700	-	-
Corporate income tax paid	(37,380)	(88,153)	(3,103)	(5,100)
Net cash from (used in) operating activities	(99,511)	238,881	(384,682)	(124,935)
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	14,949	2,432	(3)	1,105
Acquisition of investment properties	(10,842)	(6,116)	-	-
Acquisition of building and equipment	(27,053)	(16,351)	-	(6)
Cash received from sales of equipment	2,215	5,562	1,800	1,556
Acquisition of intangible assets	(3,698)	(1,495)	-	(64)
Prepayment for purchase of shares	(164,064)	(49,272)	-	-
Cash payment for investment in subsidiary	-	-	-	(2,000)
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	-	-	118,000	1,211,901
Cash payment for short-term loans to related parties	-	-	(637,015)	(803,600)
Cash payment for long-term loans to related parties	-	(272,400)	-	(272,400)
Cash received from long-term loans to related parties	52,905	1,858	52,905	152,851
Interest received	48,920	-	77,573	-
Net cash from (used in) investing activities	(86,668)	(340,800)	(386,740)	289,343

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 2022**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from financing activities				
Decrease in short-term loans	(32,000)	(60,000)	(182,000)	(60,000)
Cash received from short-term loans from related parties	-	-	648,450	25,000
Repayment of short-term loans from related parties	-	-	(20,500)	(5,000)
Cash received from long-term bill of exchange	44,000	-	44,000	-
Repayment of lease liabilities	(5,156)	(7,749)	(523)	(496)
Cash received from debentures	1,300,000	2,897,000	1,300,000	2,297,000
Repayment of debentures	(1,574,253)	(3,300,000)	(1,050,000)	(3,300,000)
Cash received from long-term loans from				
financial institutions	1,003,376	1,633,717	-	750,000
Repayment of long-term loans from financial institutions	(511,856)	(2,269,691)	-	(497,882)
Net cash from (used in) financing activities	224,111	(1,106,723)	739,427	(791,378)
Net increase (decrease) in cash and cash equivalents	37,932	(1,208,642)	(31,995)	(626,970)
Cash and cash equivalents at beginning of period	539,048	1,548,127	51,864	676,542
Cash and cash equivalents at end of period	576,980	339,485	19,869	49,572
	-	-	-	-

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 -

Increase in right-of-use assets and lease liability

9,000 - - -

Transferred investment properties to real estate

development cost

489,560 - - -

Transferred investment properties to property,

plant and equipment

- 15,384 - -

Transferred property, plant and equipment and

intangible assets to non-current asset held for sale

- 389,221 - -

Transferred deposit for purchase of condominium unit to

investment properties

86,162 - - -

Transferred real estate development cost to

property, plant and equipment

16,948 - - -

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 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 September	31 December	30 September	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	11,680	15,493	-	-
3 - 6 months	1,422	121	-	-
6 - 12 months	-	827	-	-
Over 12 months	3,208	3,508	-	-
Total	16,310	19,949	-	-
Less: Allowance for expected credit losses	(871)	(794)	-	-
Total trade receivables - unrelated parties, net	15,439	19,155	-	-
<u>Other receivables</u>				
Other receivables and advances -				
related parties	18,848	37,606	659,088	675,629
Other receivables and advances -				
unrelated parties	19,910	19,776	5,267	5,939
Interest receivables - related parties	84,691	101,759	557,315	495,438
Total other receivables	123,449	159,141	1,221,670	1,177,006
Total trade and other receivables - net	138,888	178,296	1,221,670	1,177,006

3. Real estate development cost

- 3.1 During the nine-month period ended 30 September 2022, subsidiaries capitalised interest amounting to Baht 102 million (2021: Baht 76 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 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 September 2022	31 December 2021	30 September 2022	31 December 2021
Net book values of land and construction thereon that have been mortgaged as collateral	6,090	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 nine-month periods ended 30 September 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 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Major Residences Company Limited	(14,386)	471	(35,055)	(1,239)
TMDC Construction Company Limited	(555)	(1,151)	(534)	(1,727)
MJD-JV1 Co., Ltd.	12,509	380	151,846	(6,264)
MJV3 Co., Ltd.	(2,734)	(2,406)	(7,114)	(5,448)
Techscope Co., Ltd.	(292)	(32)	111	(32)
Total	(5,458)	(2,738)	109,254	(14,710)

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:

<u>Transactions</u>	<u>Transfer pricing policy</u>
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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Interest income	-	-	54,625	53,459
Rental income	-	-	1,368	1,218
Other expenses	-	-	5,252	976
<u>Transactions with related parties</u>				
Interest income	10,149	9,889	10,149	9,889
Management income	-	5,700	-	-
Service fee	287	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Interest income	-	-	154,593	173,462
Rental income	-	-	3,804	3,654
Other expenses	-	-	8,367	5,844
<u>Transactions with related parties</u>				
Interest income	30,846	25,572	30,846	25,572
Management income	-	17,100	-	-
Purchase of condominium unit	86,162	-	-	-
Purchase of intangible assets	3,424	-	-	-
Service fee	2,282	-	-	-

As at 30 September 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 September 2022	31 December 2021	30 September 2022	31 December 2021
<u>Other receivables - related parties (Note 2)</u>				
Subsidiaries	-	-	1,112,864	1,046,600
Joint ventures	103,539	139,365	103,539	124,467
Total other receivables - related parties	103,539	139,365	1,216,403	1,171,067
<u>Deposit for purchase of condominium unit (presented in other current assets)</u>				
Joint venture	-	86,829	-	-
Total deposit for purchase of condominium unit	-	86,829	-	-
<u>Other payables - related parties</u>				
Subsidiaries	-	-	330,752	319,443
Joint ventures	1,392	1,394	1,392	1,392
Director	125	-	-	-
Total other payables - related parties	1,517	1,394	332,144	320,835

(Unaudited but reviewed)

Loans to related parties and loans from related parties

As at 30 September 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 September 2022
	Balance as at 31 December 2021	Increase	Decrease	
	Major Development Estate Company Limited	1,480,000	383,000	
Major Development Commercial Company Limited	679,000	65,000	-	
Major Development Hotels and Resorts Company Limited	135,000	40,500	(7,000)	
MJV2 Co., Ltd.	130,200	97,800	(10,000)	
MJR Development Company Limited	5,400	25,200	-	
MJP Property Company Limited	5,685	11,515	-	
MJC Development Company Limited	-	6,000	-	
MJV4 Co., Ltd.	-	5,000	-	
MJ One Company Limited	-	3,000	-	
Total	<u>2,435,285</u>	<u>637,015</u>	<u>(118,000)</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 September 2022
	Balance as at 31 December 2021	Increase	Decrease	
	Major Residences Company Limited	270,300	-	
MJD-JV1 Co., Ltd.	316,200	-	(52,905)	
MJV3 Co., Ltd.	243,200	-	-	
Total	<u>829,700</u>	<u>-</u>	<u>(52,905)</u>	
Less: Allowance for impairment loss from investments in joint ventures	<u>(38,809)</u>		<u>(10,047)</u>	
Net	<u>790,891</u>		<u>766,748</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 30 September 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
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 to November 2025.

However, the Company granted approval on extension for the repayment of long-term loan due by September 2022 to related party for another 4 years, commencing from 1 October 2022.

(Unit: Thousand Baht)

Short-term loans from	Separate financial statements			Balance as at 30 September 2022
	Balance as at 31 December 2021	Increase	Decrease	
Major Development Residences Company Limited	106,000	-	(500)	105,500
MJD Residences Company Limited	37,000	188,450	(66,600)	158,850
MJP Property Company Limited	-	240,000	-	240,000
MJR Development Company Limited	-	220,000	-	220,000
Total	143,000	648,450	(67,100)	724,350

As at 30 September 2022, 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.

(Unaudited but reviewed)

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 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 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Short-term employee benefits	28.5	25.8	83.0	91.0
Post-employment benefits	0.8	0.5	2.7	1.6
Total	29.3	26.3	85.7	92.6

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Short-term employee benefits	0.4	2.5	2.6	7.5
Total	0.4	2.5	2.6	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 14.2 to the financial statements, for which no guarantee fee has been charged.

6. Investment properties

Movements of the investment properties account during the nine-month period ended 30 September 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	97,004	-
Transferred to real estate development cost	(489,560)	-
Adjust	(39)	-
Balance as at 30 September 2022	3,392,845	819,314

(Unaudited but reviewed)

The Group has mortgaged investment properties with carrying values as at 30 September 2022 amounting to Baht 2,785 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.

7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2022 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2022	2,222,931	49,803
Addition of building and equipment during the period - cost	15,306	-
Addition of right-of-use assets during the period - cost	20,747	-
Transferred from real estate development cost	16,948	-
Disposals and write-off	(1,055)	-
Depreciation for the period	(78,384)	(3,673)
Balance as at 30 September 2022	2,196,493	46,130

The Group has mortgaged land and building with carrying values as at 30 September 2022 amounting to Baht 1,728 million (Separate financial statements: Baht 34 million) (31 December 2021: Baht 1,778 million, Separate financial statements: Baht 36 million) with commercial banks as collateral against credit facilities received from banks, guaranteed as collateral at the Court and the issuance of the debentures.

8. Short-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	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

(Unaudited but reviewed)

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.

9. Long-term bill of exchange

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 September 2022	31 December 2021
Long-term bill of exchange	44,000	-
Less: Prepaid interest expenses	(4,154)	-
Bill of exchange - net	<u>39,846</u>	<u>-</u>

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.

10. Long-term loans from financial institutions

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

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 January 2022	2,927,790
Add: Additional borrowings	1,003,376
Amortisation of financial fees	582
Less: Repayment	<u>(511,856)</u>
Total	3,419,892
Less: Portion due within one year	<u>(1,039,576)</u>
Balance as at 30 September 2022 - net	<u>2,380,316</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 2023 - 2033.

(Unaudited but reviewed)

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 September 2022, subsidiaries had credit facilities which have not drawn down of Baht 4,785 million (31 December 2021: Baht 5,529 million).

11. Debentures

Movements of debentures account during the nine-month period ended 30 September 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	17,643	11,394
Less: Repayment	(1,574,253)	(1,050,000)
Total	5,830,546	5,605,651
Less: Portion due within one year	(3,180,373)	(2,955,478)
Balance as at 30 September 2022 - net	<u>2,650,173</u>	<u>2,650,173</u>

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

In November 2022, the Company issued unsecured and unsubordinated bearer debentures totaling Baht 1,400 million, the interest rate of 6.95% per annum with the term of 2.5 years.

The debentures contain term of issuer 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)

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 (income) for the three-month and nine-month periods ended 30 September 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Interim corporate income tax charge	14,356	1,028	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(17,300)	960	128	646
Income tax expenses (income) reported in the statements of income	<u>(2,944)</u>	<u>1,988</u>	<u>128</u>	<u>646</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Interim corporate income tax charge	30,613	2,499	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(54,680)	32,914	889	4,710
Income tax expenses (income) reported in the statements of income	<u>(24,067)</u>	<u>35,413</u>	<u>889</u>	<u>4,710</u>

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.

Revenue and profit (loss) information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2022 and 2021 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Development of properties for sales		Hotel business		Rental business		Elimination		Consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from external customers	620	950	44	23	35	26	(18)	(22)	681	977
Segment operating profit (loss)	(53)	46	(9)	(20)	20	18	8	-	(34)	44
Unallocated income and expenses:										
Other income									16	13
Finance cost									(122)	(136)
Income tax income (expenses)									3	(2)
Loss for the period									(137)	(81)

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September									
	Development of		Rental				Elimination		Consolidated	
	properties for sales	Hotel business	business	business	business	business	2022	2021	2022	2021
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from external										
customers	1,815	3,296	117	52	100	76	(56)	(67)	1,976	3,357
Segment operating profit (loss)	(56)	219	(30)	(67)	57	41	8	(1)	(21)	192
Unallocated income and expenses:										
Other income									52	64
Finance cost									(373)	(459)
Income tax income (expenses)									24	(35)
Loss for the period									(318)	(238)

14. Commitments and contingent liabilities

14.1 Capital commitments

The Group had capital commitments as follows.

(Unit: Million Baht)

	Consolidated	
	financial statements	
	30 September	31 December
	2022	2021
<u>Subsidiaries</u>		
Construction agreements related to project development	1,485	69
Construction agreements related to office building for rental	16	16
Sell and purchase of land agreements	809	746
Sell and purchase of share agreement	1,097	1,284
<u>Joint ventures</u>		
Construction agreements related to project development	15	15

14.2 Bank guarantees

- (1) As at 30 September 2022, the Company has guaranteed bank credit facilities of related parties amounting to Baht 11,183 million (31 December 2021: Baht 11,622 million).
- (2) As at 30 September 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		Separate	
	financial statements		financial statements	
	30 September 2022	31 December 2021	30 September 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 September 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.

14.3 Servitude

As at 30 September 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.

14.4 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.

14.5 Litigations

As at 30 September 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 403 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 171 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.

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 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 September 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Long-term debentures	5,831	5,857	6,087	6,144

(Unit: Million Baht)

	Separate financial statements			
	30 September 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Long-term debentures	5,606	5,631	5,344	5,394

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

16. Event after the reporting period

- 16.1 On 4 November 2022, the Extraordinary General Meeting of the shareholders of MJR Development Company Limited (“subsidiary”) passed a resolution to increase the registered share capital from Baht 600 million to Baht 750 million, by issuing 15 million additional ordinary shares with a par value of Baht 10. The Company fully paid the above share capital and the subsidiary registered the increase with the Ministry of Commerce on 11 November 2022.
- 16.2 On 14 November 2022, the meeting of the Company’s Board of Directors passed a resolution to register the company under the name of “MM Residences One Company Limited” for engage in development of properties for sales. The new company has a registered capital of Baht 1 million and Major Development Estate Company Limited (“subsidiary”) invested in this company for 99.96% of its shares.

17. Approval of interim financial statements

The interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2022.