

MJD.IR.019/2017

15 May 2017

Subject : Clarification of the operating result for the year 2017 ended March 31, 2017

To : Director and Manager
The Stock Exchange of Thailand

Major Development Public Company Limited ("The Company") would like to inform total revenues 555.48 million baht and net loss 104.53 million baht in the consolidated financial statement for the three months of the year 2017 ended March 31, 2017 compared with the same period in 2016 which had total revenues 936.00 million baht and net profit 69.37 million baht. The above performance comes from these following reasons;

- Sales of units in condominium projects decreased by 439.08 million baht or 52.17% from 841.60 million baht in 2016 to 402.52 million baht in 2017 due to the decrease in unit transferring. There was no project completed construction in 2017 while there was Maestro 12 Ratchathewi completed construction and started transferring in Q1/2016. There were only continuous transferring from completed projects in Q1/2017.
- Revenues from hotel operations in Q1/2017 amounted 73.15 million baht increased by 27.57 million baht or 60.49% from 45.58 million baht in Q1/2016 due to the new hotel, Centra Maris Resort Jomtien, started operation in Q1/2016
- Rental and services income in Q1/2017 amounted 21.52 million baht increased by 17.45 million baht or 428.75% from 4.07 million baht in Q1/2016 from Major Tower Thonglor which started operation since the end of 2015 and has more tenants gradually.
- There was gain on change in fair value of investment properties amounted 15.11 million baht from the selling of Chic Shop Ram53
- Cost of units in condominium projects sold in Q1/2017 amounted 232.85 million baht or 57.85% of sales compared to 525.94 million baht in Q1/2016 or 62.49% of sales due to the increase of average selling price in completed projects
- Cost from hotel operations in Q1/2017 amounted 47.64 million baht increased by 15.67 million baht or 49.01% from 31.97 million baht in Q1/2016 due to the new hotel, Centra Maris Resort Jomtien, started operation in Q1/2016
- Cost of rental and services in Q1/2017 amounted 9.87 million baht increased by 6.82 million baht or 223.61% from 3.05 million baht in Q1/2016 from Major Tower Thonglor which started operation since the end of 2015 and has more tenants gradually.
- Selling expenses in Q1/2017 amounted 73.73 million baht decreased by 9.82 million baht or 11.75% compared to 83.55 million baht in Q1/2016 due to the decrease in unit transferring
- Administrative Expenses in Q1/2017 amounted 191.75 million baht increased by 77.88 million baht or 68.39% compared to 113.87 million baht in Q1/2016 mainly from the provision expenses.
- Share of loss from investments in joint ventures in Q1/2017 amounted 17.30 million baht decreased by 9.79 million baht or 36.14% compared to 27.09 million baht in Q1/2016 mainly from the decrease of expenses in Royce Private Residences project.

For the separate company financial statement, the company would like to inform total revenues 296.81 million baht and net loss 29.87 million baht for the three months of the year 2017 ended March 31, 2017, compared with the same period in 2016 which had total revenues 312.92 million baht and net profit 47.97 million baht. The above performance comes from these following reasons;

- Sales of units in condominium projects increased by 38.82 million baht or 17.79% from 218.21 million baht in Q1/2016 to 257.03 million baht in Q1/2017 due to the unit transferring from Manor Sanambinnam project.
- Revenues from management fee income in Q1/2017 amounted 7.05 million baht decreased by 5.02 million Baht or 41.59% from 12.07 million baht in Q1/2016 due to the completed revenue recognition in Marque Sukhumvit project.
- There was dividend income from joint venture amounted 60.18 million baht in Q1/2016.
- Cost of units in condominium projects sold in Q1/2017 amounted 134.95 million baht or 52.50% of sales compared to 128.87 million baht in Q1/2016 or 59.06% of sales due to the increase of average selling price in completed projects
- Selling expenses in Q1/2017 amounted 42.16 million baht increased by 11.49 million baht or 37.46% compared to 30.67 million baht in Q1/2016 due to the common fee expenses in completed project.
- Administrative Expenses in Q1/2017 amounted 54.09 million baht increased by 20.07 million baht or 58.99% compared to 34.02 million baht in Q1/2016 from the provision expenses.
- Finance cost in Q1/2017 amounted 85.03 million baht increased by 16.30 million baht or 23.72% from 68.73 million baht in Q1/2016 due to the realized expenses of finance cost in completed projects.

Please be informed accordingly

Sincerely yours,

(Mr. Suriya Poolvorakaks)
Executive Director and Managing Director