

**MJD.IR.026/2017**

15 August 2017

**Subject : Clarification of the operating result for the year 2017 ended June 30, 2017**

**To : Secretary – General of the Securities and Exchange Commission**

Major Development Public Company Limited ("The Company") would like to inform total revenues 662.04 million baht and net loss 86.02 million baht in the consolidated financial statement for the three months of the year 2017 ended June 30, 2017 compared with the same period in 2016 which had total revenues 2,152.40 million baht and net profit 257.14 million baht. The above performance comes from these following reasons;

- Sales of units in condominium projects decreased by 1,545.50 million baht or 74.98% from 2,061.32 million baht in 2016 to 515.82 million baht in 2017 due to the decrease in unit transferring. There was no project completed construction in Q2/2017 while there was Manor Sanambinnam started transferring in Q2/2016.
- Revenues from hotel operations in Q2/2017 amounted 66.05 million baht increased by 20.44 million baht or 44.81% from 45.61 million baht in Q2/2016 due to the new hotel, Centra Maris Resort Jomtien, started operation in Q1/2016 and had more revenues gradually.
- Rental and services income in Q2/2017 amounted 22.61 million baht increased by 13.96 million baht or 161.39% from 8.65 million baht in Q2/2016 from Major Tower Thonglor which started operation since the end of 2015 and has more tenants gradually.
- Others income in Q2/2017 amounted 37.57 million baht was mostly money received from Supreme Court judgement.
- Cost of units in condominium projects sold in Q2/2017 amounted 344.06 million baht or 66.70% of sales compared to 1,285.85 million baht in Q2/2016 or 62.38% of sales due to the decrease of unit transferring.
- Cost from hotel operations in Q2/2017 amounted 47.61 million baht increased by 10.15 million baht or 27.10% from 37.46 million baht in Q2/2016 due to the new hotel, Centra Maris Resort Jomtien, started operation in Q1/2016.
- Cost of rental and services in Q2/2017 amounted 5.66 million baht increased by 5.04 million baht or 812.90% from 0.62 million baht in Q2/2016 from Major Tower Thonglor which started operation since the end of 2015 and has more tenants gradually.
- Selling expenses in Q2/2017 amounted 89.35 million baht decreased by 65.93 million baht or 42.46% compared to 155.28 million baht in Q2/2016 due to the decrease in unit transferring.
- Administrative Expenses in Q2/2017 amounted 168.47 million baht increased by 57.61 million baht or 51.97% compared to 110.86 million baht in Q2/2016 mainly from the provision expenses.
- Share of loss from investments in joint ventures in Q2/2017 amounted 4.53 million baht decreased by 6.92 million baht or 60.44% compared to 11.45 million baht in Q2/2016 mainly from joint venture in MARQUE Sukhumvit project which is not yet realized revenues in Q2/2017. Anyway, MARQUE Sukhumvit was already start transferring in July 2017.

For the separate company financial statement, the company would like to inform total revenues 356.60 million baht and net loss 47.66 million baht for the three months of the year 2017 ended June 30, 2017, compared with the same period in 2016 which had total revenues 1,578.08 million baht and net profit 305.64 million baht. The above performance comes from these following reasons;

- Sales of units in condominium projects decreased by 1,218.97 million baht or 78.65% from 1,549.92 million baht in Q2/2016 to 330.95 million baht in Q2/2017 because there was no new project.
- Revenues from management fee income in Q2/2017 amounted 4.50 million baht decreased by 7.57 million Baht or 62.72% from 12.07 million baht in Q2/2016 due to the completed revenue recognition in MARQUE Sukhumvit project.
- Interest income in Q2/2017 amounted 18.77 million baht increased by 7.48 million baht or 66.25% from 11.29 million baht in Q2/2016 due to increase in intercompany loan.
- Cost of units in condominium projects sold in Q2/2017 amounted 208.41 million baht or 62.97% of sales compared to 936.14 million baht in Q2/2016 or 60.40% of sales due to the decrease in unit transferring.
- Selling expenses in Q2/2017 amounted 44.10 million baht decreased by 62.78 million baht or 58.74% compared to 106.88 million baht in Q2/2016 due to the decrease in unit transferring.
- Administrative Expenses in Q2/2017 amounted 63.13 million baht increased by 33.65 million baht or 114.15% compared to 29.48 million baht in Q2/2016 from the provision expenses.
- Finance cost in Q2/2017 amounted 99.98 million baht increased by 16.24 million baht or 19.39% from 83.74 million baht in Q2/2016 due to the realized expenses of finance cost in completed projects and the increase in interest rate.

Please be informed accordingly

Sincerely yours,

(Mr. Suriya Poolvorakak)  
Executive Director and Managing Director