

MJD.IR.003/2561

28 February 2018

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

**To : Director and Manager
The Stock Exchange of Thailand**

Major Development Public Company Limited ("The Company") would like to inform total revenues 3,384.22 million baht and net loss 183.91 million baht in the consolidated financial statement for the year 2017 ended December 31, 2017 compared with the same period in 2016 which had total revenues 5,405.66 million baht and net profit 411.82 million baht. The above performance comes from these following reasons;

- Sales of units in condominium projects decreased by 2,166.86 million baht or 43.79% from 4,948.69 million baht in 2016 to 2,781.83 million baht in 2017 because there was only M Jatujak project completed and started transfer in November 2016 while the rest were continuing revenue from existing completed projects. In 2016 there were 4 projects completed and started transfer ,Manor Sanambinnam, Maestro12 Ratchathewi, Maestro02 Ruamrudee and M Thonglor 10 which had total revenue amount 4,043.38 million baht.
- Revenues from hotel operations in 2017 amounted 274.22 million baht compared with 194.22 million baht in 2016. It increased 80.00 million baht or 41.19% because Centra Maris Jomtien Hotel was opened in 2016 and had more revenue gradually.
- Management fee income in 2017 amounted 39.99 million baht decreased by 26.38 million baht or 39.75% from 66.37 million baht in 2016 due to the completed management income recognition in MARQUE Sukhumvit project.
- Rental and services income in 2017 amounted 91.68 million baht increased by 45.04 million baht or 96.57% from 46.64 million baht in 2016 from Major Tower Thonglor which started operation since the end of 2015 and has more tenants gradually. Nowadays the occupancy of Major Tower Thonglor is almost 100%.
- Cost of units in condominium projects sold in 2017 was 1,709.23 million baht or 61.44% of revenue compared to 3,053.36 million baht or 61.70% in 2016.
- Selling expenses in 2017 amounted 572.09 million baht increased by 35.06 million baht or 6.53% compared to selling expenses in 2016 amounted 537.03 million baht due to the advertising of new projects in 2017 and the increase of sales promotion.
- Administrative Expenses in 2017 amounted 685.22 million baht increased by 201.89 million baht or 41.77% compared to 483.33 million baht in 2016 mainly from the provision expenses.
- Share of profit from investments in joint ventures in 2017 amounted 35.72 million baht while there were share of loss from investments in joint ventures amounted 86.14 million baht in 2016 due to the transfer of MARQUE Sukhumvit project which started transferring since July 2017. As of December 30, 2017 , there were about 3,970 million baht of signed contracts not yet recognized as income(Backlog) in MARQUE Sukhumvit which were expected to be totally recognized within Q2/2018.
- Finance cost in 2017 amounted 403.08 million baht increased by 27.08 million baht or 7.20% from 376.00 million baht in 2016 due to the increase of interest cost.

For the separated company financial statement, the company would like to inform total revenues 1,194.58 million baht and net loss 540.33 million baht for the year 2017 ended December 31,2017 compared with the same period in 2016 which had total revenues 3,379.89 million baht and net profit 595.03 million baht. The above performance comes from these following reasons;

- Sales of units in condominium projects decreased by 2,089.18 million baht or 66.92% from 3,121.91 million baht in 2016 to 1,032.73 million baht in 2017 because there were only revenue from existing completed projects while in 2016 there were revenue from Manor Sanambinnam which started transferring in March 2016.

- There was no dividend from joint ventures in 2017 while there was in 2016 amounted 66.30 million baht.
- Cost of units in condominium projects sold in 2017 was 597.69 million baht or 57.87% of revenue compared with 1,838.17 million baht or 58.88% of revenue in 2016. The cost to revenue slightly improved from the increase of average selling price.
- Selling expenses in 2017 amounted 144.46 million baht decreased by 150.76 million baht or 51.07% from 295.22 million baht in 2016 due to the decrease of units transferring.
- Administrative expenses in 2017 amounted 209.23 million baht increased by 57.67 million baht or 38.05% from 151.56 million baht in 2016 mainly from the provision expenses.
- Impairment loss on investments in 2017 amounted 386.55 million baht from the impairment on investments in subsidiaries and joint venture
- Finance cost in 2017 amounted 397.42 million baht increased by 70.63 million baht or 21.61% from 326.79 million baht in 2016 due to the increase of interest cost.

Please be informed accordingly

Sincerely yours,

(Mr. Suriya Poolvorakak)
Executive Director and Managing Director