

MJD.IR.014/2561

15 May 2018

Subject : Clarification of the operating result for the year 2018 ended March 31, 2018

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

Major Development Public Company Limited ("The Company") would like to inform total revenues 682.37 million baht and net profit 26.10 million baht in the consolidated financial statement for three months of 2018 ended March 31, 2018 compared with the same period in 2017 which had total revenues 555.48 million baht and net loss 104.53 million baht. The above performance was from these following reasons;

- Sales of units in condominium projects increased by 121.70 million baht or 30.23% from 402.52 million baht in Q1/2017 to 524.22 million baht in Q1/2018 due to the continuous transfer in M Jatujak and existing completed projects.
- Revenues from hotel operations in Q1/2018 amounted 78.97 million baht slightly increased by 5.82 million Baht or 7.96% from 73.15 million baht in Q1/2017.
- Others income in Q1/2018 amounted 37.12 million baht increased by 14.52 million baht or 64.25% from 22.60 million baht in Q1/2017 due to the penalty revenue charged to construction contractor.
- Cost of units in condominium projects sold in Q1/2018 amounted 292.57 million baht or 55.81% of sales compared to 232.85 million baht in Q1/2017 or 57.85% of sales. %Cost decreased due to the effectiveness in cost control and the increasing in average selling price of existing completed projects.
- Selling expenses in Q1/2018 amounted 214.85 million baht increased by 141.12 million baht or 191.40% compared to 73.73 million baht in Q1/2017 due to the increase of advertising and sales promotion especially in foreign market.
- Administrative Expenses in Q1/2018 amounted 153.96 million baht increased by 11.39 million baht or 7.99% compared to 142.57 million baht in Q1/2017 mainly from employee expenses.
- Share of gain from investments in joint ventures in Q1/2018 amounted 135.53 million baht while there was loss amounted 17.30 million baht in Q1/2017 due to the continuous transfer in MARQUE Sukhumvit project. As of March 31, 2018, there were about 2,800 million baht of signed contracts not yet recognized as income(Backlog) in MARQUE Sukhumvit project.
- Finance cost in Q1/2018 amounted 141.71 million baht increased by 59.71 million baht or 72.82% from 82.00 million baht in Q1/2017 due to the business expansion and the increase of interest rate.

For the separate company financial statement, the company would like to inform total revenues 275.47 million baht and net profit 18.51 million baht for three months of 2018 ended Maech 31, 2018, compared with the same period in 2017 which had total revenues 296.81 million baht and net loss 29.87 million baht. The above performance was from these following reasons;

- Sales of units in condominium projects decreased by 59.89 million baht or 23.30% from 257.03 million baht in Q1/2017 to 197.14 million baht in Q1/2018 due to the decrease of unit transfer in existing completed projects.

- Interest income in Q1/2018 amounted 46.20 million baht increased by 26.82 million baht or 138.39% from 19.38 million baht in Q1/2017 due to increase in JV loan and the increase in intercompany interest rate.
- Cost of units in condominium projects sold in Q1/2018 amounted 102.05 million baht or 51.77% of sales compared to 134.95 million baht in Q1/2017 or 52.50% of sales. %Cost decreased due to the increasing in average selling price of existing completed projects.
- Selling expenses in Q1/2018 amounted 19.74 million baht decreased by 22.42 million baht or 53.18% compared to 42.16 million baht in Q1/2017 due to the decrease in unit transfer and decrease in advertisement.
- Administrative Expenses in Q1/2018 amounted 14.00 million baht decreased by 40.09 million baht or 74.12% compared to 54.09 million baht in Q1/2017 from employee restructuring in group of companies.
- Finance cost in Q1/2018 amounted 112.45 million baht increased by 27.42 million baht or 32.25% from 85.03 million baht in Q1/2017 due to the business expansion and the increase of interest rate.

Please be informed accordingly

Sincerely yours,

(Mr. Suriya Poolvorakak)
Executive Director and Managing Director