

MJD.IR.016/2561

14 August 2018

Subject : Clarification of the operating result for the year 2018 ended June 30, 2018

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

Major Development Public Company Limited ("The Company") would like to inform total revenues 1,726.37 million baht and net profit 287.65 million baht in the consolidated financial statement for three months of 2018 ended June 30, 2018 compared with the same period in 2017 which had total revenues 662.04 million baht and net loss 86.02 million baht. The above performance was from these following reasons;

- Sales of units in condominium projects increased by 1,094.02 million baht or 212.09% from 515.82 million baht in Q2/2017 to 1,609.84 million baht in Q2/2018 due to the transfer of new 3 completed Low-rise projects, Maestro03 Ratchada-Rama9, Maestro14 Siam-Ratchathewi and Maestro01 Sathorn-Yenakat. Moreover, there were continuous transfer in existing completed projects mainly from M Jatujak and Reflection Jomtien Beach Pattaya.
- Revenues from hotel operations in Q2/2018 amounted 62.37 million baht slightly decreased by 3.68 million Baht or 5.57% from 66.05 million baht in Q2/2017.
- Management fee income in Q2/2018 amounted 12.68 million baht increased by 3.02 million baht or 31.26% from 9.66 million baht in Q2/2017 due to the increase in revenue from juristic management income.
- Cost of units in condominium projects sold in Q2/2018 amounted 988.93 million baht or 61.43% of sales compared to 344.06 million baht in Q2/2017 or 66.70% of sales. %Cost decreased due to the effectiveness of cost control in new completed projects and the increasing in average selling price of existing completed projects.
- Selling expenses in Q2/2018 amounted 308.68 million baht increased by 219.33 million baht or 245.47% compared to 89.35 million baht in Q2/2017 due to the increase of unit transfer and advertising & sales promotion especially in foreign market.
- Administrative Expenses in Q2/2018 amounted 167.01 million baht slightly decreased by 1.46 million baht or 0.87% compared to 168.47 million baht in Q2/2017.
- Share of gain from investments in joint ventures in Q2/2018 amounted 198.09 million baht while there was loss amounted 4.53 million baht in Q2/2017 due to the continuous transfer in MARQUE Sukhumvit project. As of June 30, 2018, there was about 1,774 million baht of signed contracts not yet recognized as income(Backlog) in MARQUE Sukhumvit project.
- Finance cost in Q2/2018 amounted 95.94 million baht decreased by 10.53 million baht or 9.89% from 106.47 million baht in Q2/2017 due to the loan repayment.

For the separate company financial statement, the company would like to inform total revenues 460.25 million baht and net profit 54.23 million baht for three months of 2018 ended June 30, 2018, compared with the same period in 2017 which had total revenues 356.60 million baht and net loss 47.66 million baht. The above performance was from these following reasons;

- Sales of units in condominium projects increased by 79.02 million baht or 23.88% from 330.95 million baht in Q2/2017 to 409.97 million baht in Q2/2018 mainly increased from Reflection Jomtien Beach Pattaya and M Silom according to promotion.
- Interest income in Q2/2018 amounted 48.54 million baht increased by 29.77 million baht or 158.60% from 18.77 million baht in Q2/2017 due to increase in JV loan and the increase in intercompany interest rate.
- Cost of units in condominium projects sold in Q2/2018 amounted 202.93 million baht or 49.50% of sales compared to 208.41 million baht in Q2/2017 or 62.97% of sales. %Cost decreased due to the increasing in average selling price of existing completed projects.
- Selling expenses in Q2/2018 amounted 55.46 million baht increased by 11.36 million baht or 25.76% compared to 44.10 million baht in Q2/2017 due to the increase in unit transfer and sales promotion.
- Administrative Expenses in Q2/2018 amounted 19.11 million baht decreased by 44.02 million baht or 69.73% compared to 63.13 million baht in Q2/2017 from employee restructuring in group of companies.
- Finance cost in Q2/2018 amounted 111.77 million baht increased by 11.79 million baht or 11.79% from 99.98 million baht in Q2/2017 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