

MJD.IR.003/2562

28 February 2019

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

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

Major Development Public Company Limited ("The Company") would like to inform total revenues 5,679.74 million baht and net profit 733.14 million baht in the consolidated financial statement for the year 2018 ended December 31, 2018 compared with the same period in 2017 which had total revenues 3,375.21 million baht and net loss 183.91 million baht. The above performance was from these following reasons;

- Sales of units in condominium projects increased by 2,043.43 million baht or 73.46 % from 2,781.83 Million baht in 2017 to 4,825.26 million baht in 2018 due to the transfer of new 4 completed Low-rise projects, Maestro03 Ratchada-Rama9, Maestro14 Siam-Ratchathewi, Maestro01 Sathorn-Yenakat and Maestro07 Victory Monument. There were also transfers from existing completed big projects mainly from M Jatujak, Reflection Jomtien Beach Pattaya, M Silom and Manor Sanambinnam.
- Management fee income in 2018 amounted 59.51 million baht increased by 19.52 million baht or 48.81% from 39.99 million baht in 2017 due to the increase in revenue from juristic management and condominium project management.
- Gain on change in fair value of investment properties in 2018 amounted 38.49 million baht increased by 6.17 million baht or 19.09% from 32.32 million baht in 2017 from the increased fair value in office tower's land.
- In 2018, there was other income - Gain on sales of land held for development amounted 263.81 million baht.
- Cost of units in condominium projects sold in 2018 amounted 2,819.49 million baht or 58.43 % of sales compared to 1,709.23 million baht in 2017 or 61.44% 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 2018 amounted 1,102.55 million baht increased by 530.80 million baht or 92.84% compared to 571.75 million baht in 2017 due to the increase of unit transfer and advertising & sales promotions especially in foreign market.
- Administrative Expenses in 2018 amounted 747.11 million baht increased by 119.75 million baht or 19.09 % compared to 627.36 million baht in 2017 mainly from the increase of employee expenses and provision expenses
- Share of gain from investments in joint ventures in 2018 amounted 507.61 million baht compared to 35.72 million baht in 2017 due to the continuous transfer in MARQUE Sukhumvit project. As of December 31, 2018, there was about 971.38 million baht of signed contracts not yet recognized as income(Backlog) in MARQUE Sukhumvit project.
- Finance cost in 2018 amounted 460.41 million baht increased by 57.33 million baht or 14.22% from 403.08 million baht in 2017 due to the increase of interest rate and the recognized interest expenses in construction completed projects.

For the separate company financial statement, the company would like to inform total revenues 1,791.86 million baht and net profit 64.71 million baht for the year 2018 ended December 31, 2018, compared with the same period in 2017 which had total revenues 1,194.58 million baht and net loss 540.33 million baht. The above performance was from these following reasons;

- Sales of units in condominium projects increased by 357.39 million baht or 34.61% from 1,032.73 million baht in 2017 to 1,390.12 million baht in 2018 mainly increased from M Silom, Manor Sanambinnam and Reflection Jomtien Beach Pattaya according to sales promotion.
- Interest income in 2018 amounted 184.96 million baht increased by 96.80 million baht or 109.80% from 88.16 million baht in 2017 due to increase in JV loan and the increase in intercompany interest rate.
- Cost of units in condominium projects sold in 2018 amounted 718.86 million baht or 51.71% of sales compared to 597.69 million baht in 2017 or 57.87% of sales. %Cost decreased due to the increasing in average selling price of existing completed projects.
- Selling expenses in 2018 amounted 221.08 million baht increased by 76.62 million baht or 53.04% compared to 144.46 million baht in 2017 due to the increase of advertising & sales promotions
- Administrative expenses in 2018 amounted 76.46 million baht decreased by 132.77 million baht or 63.46% compared to 209.23 million baht in 2017 from employee restructuring in group of companies.
- Impairment loss on investments in 2018 amounted 199.00 million baht was from impairment in investment in subsidiaries.
- Finance cost in 2018 amounted 433.73 million baht increased by 36.31 million baht or 9.14% from 397.42 million baht in 2017 due to the increase of interest rate.

Please be informed accordingly

Sincerely yours,

(Mr. Suriya Poolvorakaks)
Executive Director and Managing Director