

MJD.IR.001/2022

28 February 2022

Subject: Clarification of the operating result for the year 2020 ended December 31, 2021

To : Director and Manager

The Stock Exchange of Thailand

Major Development Public Company Limited ("The Company") would like to inform that net loss Baht 353.26 million in the consolidated financial statement for the year 2021 ended December 31, 2021 whereas performance of year 2020 had net profit Baht 199.34 million. The major factors of the Group's operating results are as follow.

1. Total revenue of 2021 was Baht 4,443.41 million decreased by Baht 3,000.39 million or 40.31% compared with 2020 which had total revenue Baht 7,443.81 million caused by
 - Sales in 2021 amounted Baht 4,010.88 million decreased by Baht 2,666.62 million or 39.93% when compared with 2020's sales of Baht 6,677.50 million. In 2020, there were transfers in Metris Rama9 - Ramkumhang, Metris Ladprao, Maru Ekkamai 2, Maru Ladprao 15 which completed construction and also luxury deattached houses, Mavista Prestige Village Krungthep Kreetha
 - Revenues from hotel operations in 2021 amounted Baht 97.99 million decreased by Baht 57.71 million or 37.07% when compared with Baht 155.70 million in 2020 due to the outbreak of the Coronavirus Disease 2019 ("COVID-19") affect the occupancy continuously decreased since 2020.
 - Management fee in 2021 amounted Baht 96.39 million increased by Baht 6.47 million or 7.19% when compared with Baht 89.92 million in 2020 due to the increasing in juristic management projects.
 - Rental income in 2021 amounted Baht 92.68 million slightly increased by Baht 4.73 million or 5.38% when compared with Baht 87.95 million in 2020 due to the opening office building of Major Tower Rama 9 - Ramkumhang.
 - Net gain from change in fair value of investment properties in 2021 amounted Baht 39.12 million decreased by Baht 69.69 million or 64.05% when compared with Baht 108.81 million in 2020.
 - Other income in 2021 amounted Baht 106.35 million decreased by Baht 217.56 million or 67.17% when compared with Baht 323.92 million in 2020. The decrease was mainly from there were the income from customers' default of contracts in 2020.

2. Total expenses of 2021 were Baht 4,202.01 million decreased by Baht 2,590.25 million or 38.14% compared with 2020 which had total revenue Baht 6,792.26 million caused by
 - Cost of sales in 2021 amounted Baht 2,692.04 million decreased by Baht 2,104.91 million or 43.88% when compared with Baht 4,796.95 million in 2020 which is rely on the decreasing in sales. However, the percentage of cost of sale to sales in 2021 and 2020 were 67.12% and 71.84%, respectively.
 - Cost from hotel operations in 2021 amounted Baht 118.34 million decreased by Baht 42.49 million or 26.42 % when compared with Baht 160.83 million in 2020 according to the decreasing in revenue from hotel operations.
 - Selling expenses in 2021 amounted Baht 541.61 million decreased by Baht 439.94 million or 44.82% when compared with Baht 981.55 million in 2020 due to the decreasing of commission, advertisement and sales promotions expenses.
 - Administrative expenses in 2021 was Baht 748.46 million slightly decreased by Baht 5.77 million or 0.76% when compared with Baht 754.23 million in 2020.

3. Share of gain from investments in joint ventures in 2021 was Baht 6.08 million decreased by Baht 126.51 million or 95.41% compared to Baht 132.59 million in 2020. The last year gain come from transfer of Marque Sukhumvit and Muniq Sukhumvit 23 which was started to transfer in Q3/2020 whereas in 2021 the transfer of Muniq Sukhumvit 23 is decreasing and Muniq Luangsuan has just stated to transfer in December 2021.

4. Finance cost in 2021 was Baht 587.29 million increased by Baht 97.15 million or 19.82% from Baht 490.14 million in 2020 due to the recognition of interest expense in construction completed projects in 2020.

Please be informed accordingly,

Sincerely yours,

(Mr.Suriya Poolvorakaks)

Executive Director and Managing Director