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11 August 2022

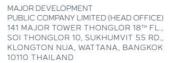
Subject : Clarification of the operating result for the second quarter of 2022 ended June 30, 2022

Attention : Director and Manager

The Stock Exchange of Thailand

Major Development Public Company Limited ("The Company") would like to inform that the consolidated financial statement for the second quarter of 2022 ended June 30, 2022 performed total revenue of Baht 724.02 million and net loss of Baht 131.61 million whereas the performance of the same period in 2021 delivered total revenue of Baht 1,158.89 million and net loss of Baht 128.89 million. The major factors are detailed as follows.

- Total revenue in Q2/2022 was Baht 724.02 million, decreased by Baht 434.86 million or 37.52% comparing to Q2/2021 results of total revenue of Baht 1,158.89 million. Due mainly to the following reasons:
  - Revenue from sales in Q2/2022 amount Baht 603.53 million decreased by Baht 485.84 million or 44.60%, comparing to Q2/2021's sales of Baht 1,089.37 million. In Q2/2021, the backlog from Maru Ekkamai 2 Project and Maru Ladprao 15 Project which completed construction at the end of 2020, had been continuing transferred and recognized. While in Q2/2022, the Company had been transferring Muniq Luangsuan Project with total amount of Baht 376.48 million. However, this project was developed under join venture company which held 51% of shares by the Company, it did not consolidate the revenue from sales of this project in to the consolidated financial statement.
  - Revenues from hotel operations in Q2/2022 amount Baht 45.63 million increased by Baht 32.35 million or 243.67%, comparing with Baht 13.28 million in Q2/2021. Although the outbreak of COVID-19 remained strong, no travel restrictions from foreign countries were established, causing the increased in occupancy rate from both domestic and foreign travelers, comparing to the same period of last year.
  - Management fee income in Q2/2022 amount Baht 20.38 million decreased by Baht 4.66 million or 18.62%, comparing with Baht 25.04 million in Q2/2021. It was resulting from Muniq Sukhumvit 23 Project and Muniq Langsuan Project construction completion which had ended both project's management agreements.
  - Rental income in Q2/2022 of Baht 32.12 million increased by Baht 9.29 million or 40.71%, comparing to Baht 22.83 million in Q2/2021 due to the new addition of tenants at Major Tower Rama 9 – Ramkumhang office building and the increasing of new tenants at Major Tower Thonglor office building, replacing the previously tenants impacted by COVD-19 and tenants whose leases had expired.



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- 2. Total expenses in Q2/2022 were Baht 772.73 million decreased by Baht 361.53 million or 31.87%, comparing with Q2/2021 of total expenses Baht 1,134.26 million. Due mainly to the following reasons:
  - Cost of sales in Q2/2022 of Baht 453.35 million decreased by Baht 282.80 million or 38.42%, comparing to Baht 736.16 million in Q2/2022, which was varied by sales decreased. The cost of sales percentage to sales in Q2/2022 and Q2/2021 were 75.12% and 67.58% respectively.
  - Cost from hotel operations in Q2/2022 amount Baht 33.26 million increased by Baht 6.04 million or 22.18%, comparing with Baht 27.22 million in Q2/2021. The increased in cost from hotel operations was relating to the increased in its revenues.
  - Selling expenses in Q2/2022 of Baht 85.64 million decreased by Baht 62.78 million or 42.30%, comparing to Baht 148.42 million in Q2/2021. This was due to the decreasing in commission, transferring fee, special business tax and other expenses relating to sale and transfer activities.
  - Administrative expenses in Q2/2022 was Baht 174.36 million decreased by Baht 20.34 million or 10.45%, comparing with Baht 194.70 million in Q2/2021.
- 3. Share of profit from investments in joint ventures in Q2/2022 was Baht 22.02 million, increased by Baht 23.76 million, comparing to share of loss from investment of Baht 1.74 million in Q2/2021. The recognition in Q2/2021 was solely from Muniq Sukhumvit 23 Project transferred. However, in Q2/2022 the recognition was from the transfer of Muniq Langsuan Project, started to transfer in December 2021.
- 4. Finance cost in Q2/2022 was Baht 128.98 million, decreased by Baht 22.48 million or 14.84%, comparing to Baht 151.46 million in Q2/2021. This was due to the decreasing of interest-bearing debt amount for the period.

Please be informed accordingly,

Sincerely yours,

(Mr.Suriya Poolvoralaks)

**Executive Director and Managing Director**