

MJD.IR. 011/2022

14 November 2022

Subject : Clarification of the operating result for the third quarter of 2022 ended September 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 third quarter of 2022 ended September 30, 2022 performed total revenue of Baht 687.00 million and net loss of Baht 136.54 million whereas the performance of the same period in 2021 delivered total revenue of Baht 980.92 million and net loss of Baht 81.34 million. The major factors are detailed as follows.

1. Total revenue in Q3/2022 was Baht 687.00 million, decreased by Baht 293.92 million or 29.96% comparing to Q3/2021 results of total revenue of Baht 980.92 million. Due mainly to the following reasons:
 - Revenue from sales in Q3/2022 amount Baht 566.46 million decreased by Baht 339.30 million or 37.46%, comparing to Q3/2021's sales of Baht 905.76 million. In Q3/2021, 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 Q3/2022, The Company had been transferring Muniq Luangsuan Project with total amount of Baht 169.00 million and Muniq Sukhumvit 23 Project with total amount of Baht 116.00 million. However, these projects were developed under joint venture company which held 51% of shares by The Company, the revenue from sales of these projects were not consolidated in to the consolidated financial statement.
 - Revenues from hotel operations in Q3/2022 amount Baht 43.09 million increased by Baht 20.98 million or 94.89%, comparing with Baht 22.11 million in Q3/2021. Covid-19 controls were lifted and 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 Q3/2022 amount Baht 20.51 million decreased by Baht 4.55 million or 18.16%, comparing with Baht 25.06 million in Q3/2021. 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 Q3/2022 of Baht 34.38 million increased by Baht 11.94 million or 53.21%, comparing to Baht 22.44 million in Q3/2021 due to the additional 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 COVID-19 and tenants whose leases had expired.

2. Total expenses in Q3/2022 were Baht 709.19 million decreased by Baht 222.08 million or 23.85%, comparing with Q3/2021 of total expenses Baht 931.27 million. Due mainly to the following reasons:
 - Cost of sales in Q3/2022 of Baht 395.00 million decreased by Baht 224.54 million or 36.24%, comparing to Baht 619.54 million in Q3/2021, which was varied by sales decreased. The cost of sales percentage to sales in Q3/2022 and Q3/2021 were 69.73% and 68.40% respectively.
 - Cost from hotel operations in Q3/2022 amount Baht 34.29 million increased by Baht 5.78 million or 20.27%, comparing with Baht 28.51 million in Q3/2021. The increased in cost from hotel operations was relating to the increased in its revenues.
 - Selling expenses in Q3/2022 of Baht 88.75 million decreased by Baht 14.29 million or 13.87%, comparing to Baht 103.04 million in Q3/2021. 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 Q3/2022 was Baht 163.33 million decreased by Baht 11.74 million or 7.74%, comparing with Baht 151.59 million in Q3/2021.
3. Share of loss from investments in joint ventures in Q3/2022 was Baht 5.46 million, increased by Baht 2.72 million, comparing to share of loss from investment of Baht 2.74 million in Q3/2021.
4. Finance cost in Q3/2022 was Baht 122.17 million, decreased by Baht 14.05 million or 10.31%, comparing to Baht 136.22 million in Q3/2021. This was due to the decreasing of interest-bearing debt amount for the period.

Please be informed accordingly,

Sincerely yours,

(Mr.Suriya Poolvorakals)

Executive Director and Managing Director