

MJD.IR.010/2562

13 August 2019

Subject : Clarification of the operating result for the year 2019 ended June 30, 2019

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

Major Development Public Company Limited ("The Company") would like to inform total revenues 1,218.94 million baht and net loss 14.10 million baht in the consolidated financial statement for three months of 2019 ended June 30, 2019 compared with the same period in 2018 which had total revenues 1,726.37 million baht and net profit 395.25 million baht. The above performance was from these following reasons;

- Sales of units in condominium projects decreased by 522.70 million baht or 32.47% from 1,609.84 million baht in Q2/2018 to 1,087.17 million baht in Q2/2019 because the transfer in Q2/2019 were mainly from ready to move-in projects while there were 3 low-rise projects, Maestro 03 Ratchada-Rama9, Maestro 14 Siam-Ratchathevi and Maestro 01 Sathorn-Yenakat, completed and started transfer in Q2/2018. In Q2/2019, there were a few transfers of Maestro 19 Ratchada – Vipha which was completed construction earlier than schedule. Most of backlog in Maestro 19 will be transferred in Q3 – Q4/2019.
- Revenues from hotel operations in Q2/2019 amounted 71.35 million baht increased by 8.98 million baht or 14.40% from 62.37 million baht in Q2/2018 due to the opening of new hotel, MAVEN Stylish Hotel Bangkok.
- Management fee income in Q2/2019 amounted 21.56 million baht increased by 8.88 million baht or 70.03% from 12.68 million baht in Q2/2018 due to the increase in revenue from joint venture project and juristic management income.
- Cost of units in condominium projects sold in Q2/2019 amounted 672.68 million baht or 61.88% of sales compared to 988.93 million baht in Q2/2018 or 61.43% of sales. %Cost slightly increased due to the increase of sales promotion in ready to move in projects.
- Cost from hotel operations in Q2/2019 amounted 53.26 million baht increased by 4.51 million baht or 9.25% from 48.75 million baht in Q2/2018 due to the opening of new hotel, MAVEN Stylish Hotel Bangkok.
- Selling expenses in Q2/2019 amounted 210.91 million baht increased by 40.46 million baht or 23.74% compared to 170.45 million baht in Q2/2018 due to the increase of commission in unit transferred in Q2/2019.
- Administrative Expenses in Q2/2019 amounted 185.86 million baht increased by 18.85 million baht or 11.29% compared to 167.01 million baht in Q2/2018 mainly from expenses in legal cases.
- Share of gain from investments in joint ventures in Q2/2019 amounted 37.07 million baht compared to 195.10 million baht in Q2/2018 due to the decrease in unit transfer in MARQUE Sukhumvit project. As of June 30, 2019, there was 79 million baht of signed contracts not yet recognized as income (Backlog) in MARQUE Sukhumvit project.
- Finance cost in Q2/2019 amounted 108.08 million baht increased by 12.14 million baht or 12.65% from 95.94 million baht in Q2/2018 due to the new debentures issued in Q2/2019 and the recognition of interest expenses in construction completed projects.

For the separate company financial statement, the company would like to inform total revenues 531.26 million baht and net profit 28.67 million baht for three months of 2019 ended June 30, 2019, compared with the same period in 2018 which had total revenues 460.25 million baht and net profit 68.01 million baht. The above performance was from these following reasons;

- Sales of units in condominium projects slightly increased by 18.05 million baht or 4.40% from 409.97 million baht in Q2/2018 to 428.02 million baht in Q2/2019 due to the increase of sales promotions in ready to move-in projects.
- There was dividend from joint venture, MARQUE Sukhumvit, amounted 51.00 million baht in Q2/2019.
- Cost of units in condominium projects sold in Q2/2019 amounted 230.48 million baht or 53.85% of sales compared to 202.93 million baht in Q2/2018 or 49.50% of sales. %Cost increased due to the increase of sales promotion in ready to move-in projects.
- Selling expenses in Q2/2019 amounted 125.09 million baht increased by 86.86 million baht or 227.20% compared to 38.23 million baht in Q2/2018 due to the increase of sales promotions.
- Administrative Expenses in Q2/2019 amounted 26.77 million baht increased by 7.66 million baht or 40.08% compared to 19.11 million baht in Q2/2018 from expenses in legal cases.
- Finance cost in Q2/2019 amounted 116.05 million baht increased by 4.28 million baht or 3.83% from 111.77 million baht in Q2/2018 due to the new debentures issued in Q2/2019.

Please be informed accordingly

Sincerely yours,

(Mr. Suriya Poolvorakak)
Executive Director and Managing Director