

MJD.IR.002/2563

25 February 2020

Subject : Clarification of the operating result for the year 2019 ended December 31, 2019

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

Major Development Public Company Limited ("The Company") would like to inform total revenues 6,107.92 million baht and net profit 320.97 million baht in the consolidated financial statement for the year 2019 ended December 31, 2019 compared with the same period in 2018 which had total revenues 5,644.96 million baht and net profit 1,098.14 million baht. The above performance was from these following reasons;

- Sales increased by 649.52 million baht or 13.56 % from 4,790.47 million baht in 2018 to 5,439.99 million baht in 2019 due to the transfer of new 3 completed projects, Maestro19 Ratchada19-Vipha, Marvest Huahin and Mavista Prestige Village Krungthep Kreetha.
- Revenues from hotel operations in 2019 amounted 304.37 million baht increased by 25.46 million baht or 9.13% from 278.91 million baht in 2018 due to the opening of new hotel, MAVEN Stylish Hotel Bangkok.
- Management fee income in 2019 amounted 87.93 million baht increased by 28.42 million baht or 47.76% from 59.51 million baht in 2018 due to the increase in revenue from juristic management and condominium project management.
- Net gain from a fair value adjustment in 2019 amounted 55.78 million baht increased by 17.29 million baht or 44.92% from 38.49 million baht in 2018 from the increased fair value of land in office tower and commercial properties
- In 2018, there was other income - Gain on sales of land held for development amounted 263.81 million baht.
- Cost of sales in 2019 amounted 3,348.82 million baht or 61.56 % of sales compared to 2,819.49 million baht in 2018 or 58.86% of sales. %Cost increased due to the higher cost of completed projects in 2019.
- Selling expenses in 2019 amounted 872.15 million baht increased by 255.23 million baht or 41.37% compared to 616.92 million baht in 2018 due to the increase of commission and sales promotion according to inventory selling policy.
- Administrative Expenses in 2019 amounted 958.38 million baht increased by 260.45 million baht or 37.32% compared to 697.93 million baht in 2018 mainly from the increase of provision expenses and employee expenses
- Share of gain from investments in joint ventures in 2019 amounted 171.99 million baht compared to 511.93 million baht in 2018 decreased from the decrease in unit transfer of MARQUE Sukhumvit. In 2019 there was transfer in MARQUE Sukhumvit amounted 1,311.99 million baht while there was 4,288.09 million baht in 2018. As of December 31, 2019, there was 152.94 million baht of signed contracts not yet recognized as income (Backlog)in MARQUE Sukhumvit.
- Finance cost in 2019 amounted 418.28 million baht decreased by 42.13 million baht or 9.15% from 460.41 million baht in 2018 due to the decrease in project loan.

For the separate company financial statement, the company would like to inform total revenues 2,217.47 million baht and net profit 307.77 million baht for the year 2019 ended December 31, 2019, compared with the same period in 2018 which had total revenues 1,771.49 million baht and net profit 83.86 million baht. The above performance was from these following reasons;

- Sales increased by 175.72 million baht or 12.83% from 1,369.75 million baht in 2018 to 1,545.47 million baht in 2019 from sales promotion in inventory.
- Interest income in 2019 amounted 208.34 million baht increased by 23.38 million baht or 12.64% from 184.96 million baht in 2018 due to the increase in JV loan and the increase in intercompany interest rate.
- Dividend from joint venture in 2019 amounted 402.89 million baht increased by 279.22 million baht or 225.78% compared to 123.67 million baht in 2018
- Cost of sales in 2019 amounted 870.45 million baht or 56.32% of sales compared to 718.86 million baht in 2018 or 52.48% of sales. %Cost increased due to the decrease in selling price of inventory.
- Selling expenses in 2019 amounted 358.91 million baht increased by 182.13 million baht or 103.03% compared to 176.78 million baht in 2018 due to the increase of commission & sales promotions.
- Administrative expenses in 2019 amounted 192.97 million baht increased by 116.51 million baht or 152.38% compared to 76.46 million baht in 2018 from provision expenses.
- Impairment loss on investments in 2019 amounted 52.80 million baht was from impairment in investment in subsidiaries compared to 199.00 million baht in 2018

Please be informed accordingly

Sincerely yours,

(Mr. Suriya Poolvorakak)
Executive Director and Managing Director