

MJD.IR. 0013/2024

14 August 2024

Subject : Management Discussion and Analysis for the quarter 2/2024 ended June 30, 2024

Attention : Director and Manager
The Stock Exchange of Thailand

Major Development Public Company Limited ("The Company") would like to inform the operating result and financial position of the consolidated financial statement for the quarter 2 /2024 ended of June 30, 2024. As follows.

A) Operating Results

Unit: Million Baht

Consolidated Income Statement	Three-month period		Increase (Decrease)		Six-month period		Increase (Decrease)	
	Q2 2024	Q2 2023	Amount	%	Q2 2024	Q2 2023	Amount	%
Sales	434.47	492.83	(58.36)	(11.84)	871.75	987.01	(115.26)	(11.68)
Revenues from hotel operations	61.76	64.98	(3.22)	(4.96)	152.67	144.28	8.39	5.82
Management fee income	30.76	19.27	11.49	59.63	61.80	36.87	24.93	67.62
Rental income	51.02	43.03	7.99	18.57	97.59	81.46	16.13	19.80
Other income	27.73	17.46	10.27	58.82	41.91	32.79	9.12	27.81
Total revenues	605.74	637.57	(31.83)	(4.99)	1,225.72	1,282.41	(56.69)	(4.42)
Cost of sales	299.54	320.57	(21.03)	(6.56)	618.18	649.48	(31.30)	(4.82)
Cost from hotel operations	44.15	48.48	(4.33)	(8.93)	94.81	94.61	0.20	0.21
Cost of management services	25.92	16.01	9.91	61.90	51.47	31.19	20.28	65.02
Cost of rental	12.70	12.83	(0.13)	(1.01)	24.78	24.26	0.52	2.14
Selling expenses	69.54	99.43	(29.89)	(30.06)	130.82	182.27	(51.45)	(28.23)
Administrative expenses	135.10	137.73	(2.63)	(1.91)	266.48	276.96	(10.48)	(3.78)
Expenses and provision related to litigation claims	30.88	0.25	30.63	100.00	34.82	13.55	21.27	100.00
Total expenses	617.83	635.30	(17.47)	(2.75)	1,221.36	1,272.32	(50.96)	(4.01)
Operating profit (loss)	(12.09)	2.27	(14.36)	(100.00)	4.36	10.09	(5.73)	(56.79)
Share of profit (loss) from investments in joint ventures	(0.04)	32.64	(32.68)	(100.00)	0.50	49.56	(49.06)	(98.99)
Finance income	10.43	15.20	(4.77)	(31.38)	18.91	24.48	(5.57)	(22.75)
Finance cost	(98.84)	(122.53)	(23.69)	(19.33)	(195.40)	(231.32)	(35.92)	(15.53)
Income tax expenses	(15.08)	(2.91)	12.17	100.00	(10.44)	(5.70)	4.74	83.16
Loss for the period	(115.62)	(75.33)	40.29	53.48	(182.07)	(152.89)	29.18	19.09

1. The total revenue for Q2/2024 for the 3-month and 6-month periods amounted to 605.74 million Baht and 1,225.72 million Baht, respectively, representing a decrease of 31.83 million Baht or 4.99% and a decrease of 56.69 million Baht or 4.42%, respectively, compared to the same periods of the previous year. Due to following reasons:
 - Revenue from sales Q2/2024 for the 3-month and 6-month periods amounted to 434.47 million Baht and 871.75 million Baht, respectively. Compared to the same periods of the previous year, which had sales revenue of 492.83 million Baht and 987.01 million Baht, respectively, sales revenue decreased by 58.36 million Baht or 11.84% and by 115.26 million Baht or 11.68%, respectively. This decline was due to a decrease in revenue recognition from the gradual transfer of ownership in Q2/2024. Most of the ownership transfers and revenue recognition were derived from the Malton Gates Krungthep Kreetha Project.
 - Revenues from hotel operations Q2/2024 for the 3-month period amounted to 61.76 million Baht, representing a decrease of 3.22 million Baht or 4.96% compared to the same period of the previous year, which recorded 64.98 million Baht. The decrease was due to government support programs in Q2/2023, which led to a higher occupancy rate than in 2024. However, hotel revenue for Q2/2024 for the 6-month period amounted to 152.67 million Baht, an increase of 8.39 million Baht or 5.82% compared to the same period of the previous year, which recorded 144.28 million Baht. This increase was due to the recovery of the tourism and hotel industries overall, resulting in a continuous rise in tourist occupancy rates compared to the same period of the previous year.
 - Management fee income Q2/2024 for the 3-month and 6-month periods amounted to 30.76 million Baht and 61.80 million Baht, respectively. This represents an increase of 11.49 million Baht or 59.63% and 24.93 million Baht or 67.62%, respectively, compared to the same periods of the previous year, which recorded 19.27 million Baht and 36.87 million Baht, respectively. The increase was due to the rise in project management contracts.
 - Rental income Q2/2024 for the 3-month and 6-month periods amounted to 51.02 million Baht and 97.59 million Baht, respectively. This represents an increase of 7.99 million Baht or 18.57% and 16.13 million Baht or 19.80%, respectively, compared to the same periods of the previous year, which recorded 43.03 million Baht and 81.46 million Baht, respectively. The main reason for the increase was the rise in tenants at the Major Tower Rama 9 – Ramkhamhaeng office building.

2. Total costs and expenses Q2/2024 for the 3-month and 6-month periods amounted to 617.83 million Baht and 1,221.36 million Baht, respectively. This represents a decrease of 17.47 million Baht or 2.75% and 50.96 million Baht or 4.01%, respectively, compared to the same periods of the previous year. Due mainly to the following reasons:

- Cost of sales Q2/2024 for the 3-month and 6-month periods amounted to 299.54 million Baht and 618.18 million Baht, respectively. Compared to the same periods of the previous year, which recorded 320.57 million Baht and 649.48 million Baht, respectively, the cost of sales decreased by 21.03 million Baht or 6.56% and by 31.30 million Baht or 4.82%, respectively. This decrease was in line with the decline in revenue.
- Hotel operating costs Q2/2024 for the 3-month period amounted to 44.15 million Baht, a decrease of 4.33 million Baht or 8.93% compared to the same period of the previous year, which recorded 48.48 million Baht. This decrease was in line with the reduction in revenue. However, hotel operating costs for Q2/2024 for the 6-month period amounted to 94.81 million Baht, an increase of 0.20 million Baht or 0.21% compared to the same period of the previous year, which recorded 94.61 million Baht. This increase was consistent with the rise in revenue.
- Management costs Q2/2024 for the 3-month and 6-month periods amounted to 25.92 million Baht and 51.47 million Baht, respectively. Compared to the same periods of the previous year, which recorded 16.01 million Baht and 31.19 million Baht, respectively, management costs increased by 9.91 million Baht or 61.90% and by 20.28 million Baht or 65.02%, respectively. This increase was in line with the rise in revenue.
- Rental costs Q2/2024 for the 3-month period amounted to 12.70 million Baht, which is the same period of the previous year, which recorded 12.83 million Baht. For the 6-month period, rental costs amounted to 24.78 million Baht, an increase of 0.52 million Baht or 2.14% compared to the same period of the previous year, which recorded 24.26 million Baht. This increase was in line with the rise in revenue.
- Selling expenses Q2/2024 for the 3-month and 6-month periods were 69.54 million baht and 130.82 million baht, respectively. Compared to the same period of the previous year, which was 99.43 million baht and 182.27 million baht, respectively, selling expenses decreased by 29.89 million baht or 30.06% and decreased by 51.45 million baht or 28.23%, respectively. The main reason for these decreases is due to lower commissions, transfer costs, general and administrative expenses, and advertising expenses, which decreased in line with the decrease in revenue from property transfers.
- Administrative expenses Q2/2024 for both the 3-month and 6-month periods were 135.10 million baht and 266.48 million baht, respectively. Compared to the same period of the previous year, when administrative expenses were 137.73 million baht and 276.96 million baht, respectively, administrative expenses decreased by 2.63 million baht, or 1.91%, and decreased by 10.48 million baht, or 3.78%, respectively.
- Expenses and provisions related to litigation claim Q2/2024 for both the 3-month and 6-month periods were 30.88 million baht and 34.82 million baht, respectively. Compared to the same period of the previous year, which were 0.25 million baht and 13.55 million baht, respectively, legal expenses and provisions for litigation increased

by 30.63 million baht or 100% and increased by 21.27 million baht or 100%, respectively. This significant increase is due to the company's recognition of additional provisions for litigation

3. The share of profit (loss) from investments in joint ventures Q2/2024, for both the 3-month and 6-month periods, was (0.04) million baht and 0.50 million baht, respectively. Compared to the same period of the previous year, which was 32.64 million baht and 49.56 million baht, respectively, the share of profit (loss) from joint ventures decreased by 32.68 million baht or 100% and decreased by 49.06 million baht or 98.99%, respectively. This significant decrease is attributable to the decline in property transfers for the Muniq Langsuan Project and Muniq Sukhumvit 23 Project.
4. Finance costs Q2/2024 for the 3-month and 6-month periods were 98.84 million baht and 195.40 million baht, respectively. Compared to the same period of the previous year, which were 122.53 million baht and 231.32 million baht, respectively, finance costs decreased by 23.69 million baht or 19.33% and decreased by 35.92 million baht or 15.53%, respectively. This decrease is attributed to an increase in the number of projects under development, where interest expense is capitalized as part of the project cost.

B) Financial Position

Assets

As of June 30, 2024, the company had total assets of 17,826.26 million baht, an increase of 458.01 million baht or 2.63% from December 31, 2023. The primary reason for this increase was due to an increase of 547.90 million baht in real estate development costs from the launch and commencement of new projects.

Liabilities and Shareholder's equity

As of June 30, 2024, the company had total liabilities of 13,366.43 million baht, an increase of 640.08 million baht or 5.02% from December 31, 2023. The main reason for this increase was due to an increase in short-term debentures of 49.37 million baht and long-term debentures of 420.56 million baht, which were used to fund new projects and ongoing operations.

Shareholder's equity as of June 30, 2024, was 4,459.84 million baht, a decrease of 182.07 million baht or 3.92% from December 31, 2023. The primary reason for these decreases was due to the net loss for the current period.

Please be informed accordingly,

Sincerely yours,

(Ms. Petrada Poolvorlaks)

Director and Chief Executive Officer