

MJD.IR. 010/2023

15 August 2023

Subject : Clarification of the operating result for quarter 2/2023 ended June 30, 2023

Attention : Director and Manager
The Stock Exchange of Thailand

Major Development Public Company Limited ("The Company") would like to inform the operating result of consolidated financial statement for quarter 2/2023 ended June 30, 2023. The Company has total revenue of Baht 637.56 million and net loss of Baht 75.32 million, compared with the same period in 2022 with total revenue of Baht 742.02 million and net loss of Baht 131.61 million. The major factors are detailed as follows.

1. Total revenue in Q2/2023 was Baht 637.56 million, decreased by Baht 86.46 million or 11.94% comparing to Q2/2022 results of total revenue of Baht 724.02 million. Due mainly to the following reasons:
 - Revenue from sales in Q2/2023 of Baht 492.83 million decreased by Baht 110.70 million, or 18.34%, comparing to Q2/2022's sales of Baht 603.53 million. The company decreased by transferring Maru Ekkamai 2 Project and Maru Ladprao 15 Project, which completed construction at the end of 2020. The Company has been continuing to transfer and recognize income from two projects during the same period last year.
 - Revenues from hotel operations in Q2 /2023 of Baht 64.98 million increased by Baht 19.35 million, or 42.41%, comparing with Baht 45.63 million in Q2/2022. It was resulting from the recovery of tourism and hotel businesses, causing increased in the occupancy rate of both domestic and foreign travelers, compared to the same period last year.
 - Management fee income in Q2/2023 of Baht 19.27 million, decreased by Baht 1.11 million or 5.44%, comparing with Baht 20.38 million in Q2/2022. It was resulting from ended of project's management agreements in some locations.
 - Rental income in Q2/2023 of Baht 43.03 million, increased by Baht 10.90 million or 33.94%, comparing to Baht 32.12 million in Q2/2022 due to the new addition of tenants at Major Tower Rama 9 – Ramkumhang office building and Major Tower Thonglor office building.

2. Total expenses in Q2 /2023 were Baht 635.30 million, decreased by Baht 137.43 million or 17.79%, comparing with Q2/2022 of total expenses Baht 772.73 million. Due mainly to the following reasons:

- Cost of sales in Q2/2023 of Baht 320.57 million, decreased by Baht 132.79 million or 29.29%, comparing to Baht 453.35 million in Q2/2022, which was varied by sales decreased. The cost of sales percentage to sales in Q2/2023 and Q2/2022 were 65.05% and 75.12% respectively.
 - Cost from hotel operations in Q2/2023 of Baht 48.48 million, increased by Baht 15.22 million or 45.75%, comparing with Baht 33.26 million in Q2/2022. The increased in cost from hotel operations was relating to the increased in its revenues.
 - Selling expenses in Q2/2023 of Baht 99.43 million, increased by Baht 13.79 million or 16.11%, comparing to Baht 85.64 million in Q2/2022. due to the cost of preparing for the launch of new projects at the end of this year.
 - Administrative expenses in Q2/2023 was Baht 137.98 million, decreased by Baht 36.37 million or 20.86%, comparing with Baht 174.36 million in Q2/2022.
3. Share of profit from investments in joint ventures in Q2/2023 was Baht 32.64 million, increased by Baht 10.61 million, comparing to share of profit from investment of Baht 22.02 million in Q2/2022. This was due to the increasing of revenue recognition of Muniq Langsuan Project, compared to the same period last year.
 4. Finance cost in Q2/2023 was Baht 122.52 million, decreased by Baht 6.46 million or 5.01%, comparing to Baht 128.98 million in Q2/2022. It was due to capitalized interest, added as part of the project development cost for under construction projects.

Please be informed accordingly,

Sincerely yours,

(Mr. Suriya Poolvorakaks)

Executive Director and Managing Director