

MJD.IR. 0016/2024

14 November 2024

Subject : Management Discussion and Analysis for the quarter 3/2024 ended September 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 3/2024 ended of September 30, 2024. As follows.

A) Operating Results

Unit: Million Baht

Consolidated Income Statement	Three-month period		Increase (Decrease)		Nine-month period		Increase (Decrease)	
	Q3 2024	Q3 2023	Amount	%	Q3 2024	Q3 2023	Amount	%
Sales	454.75	281.85	172.90	61.34	1,326.49	1,268.87	57.62	4.54
Revenues from hotel operations	57.34	50.12	7.22	14.41	210.01	194.40	15.61	8.03
Management fee income	30.53	22.27	8.26	37.09	92.32	59.13	33.19	56.13
Rental income	53.37	45.31	8.06	17.79	150.97	126.77	24.20	19.09
Other income	3.72	10.32	(6.60)	(63.95)	45.63	43.11	2.52	5.85
Total revenues	599.71	409.87	189.84	46.32	1,825.42	1,692.28	133.14	7.87
Cost of sales	424.45	190.68	233.77	122.60	1,042.63	840.16	202.47	24.10
Cost from hotel operations	42.56	41.18	1.38	3.35	137.37	135.78	1.59	1.17
Cost of management services	24.95	19.17	5.78	30.15	76.42	50.37	26.05	51.72
Cost of rental	13.06	11.61	1.45	12.49	37.84	35.87	1.97	5.49
Selling expenses	68.09	73.65	(5.56)	(7.55)	198.91	255.93	(57.02)	(22.28)
Administrative expenses	153.49	128.06	25.43	19.86	419.96	405.01	14.95	3.69
Expenses and provision related to litigation claims	0.35	7.90	(7.55)	(95.57)	35.17	21.45	13.72	63.96
Total expenses	726.95	472.25	254.70	53.93	1,948.30	1,744.57	203.73	11.68
Operating profit (loss)	(127.24)	(62.38)	(64.86)	103.98	(122.88)	(52.29)	(70.59)	135.00
Share of profit (loss) from investments in joint ventures	31.29	32.32	(1.03)	(3.19)	31.79	81.88	(50.09)	(61.17)
Finance income	8.06	8.30	(0.24)	(2.89)	26.98	32.77	(5.79)	(17.67)
Finance cost	(99.10)	(96.59)	(2.51)	2.60	(294.50)	(327.90)	33.40	(10.19)
Income tax revenue (expenses)	31.31	5.63	25.68	456.13	20.86	(0.07)	20.93	29,900.00
Loss for the period	(155.68)	(112.72)	(42.96)	38.11	(337.75)	(265.61)	(72.14)	27.16

1. The total revenue for Q3/2024 for the 3-month and 9-month periods amounted to Baht 599.71 million and Baht 1,825.42 million, respectively. This representing an increase of Baht 189.84 million or 46.32% and an increase of Baht 133.14 million or 7.87%, respectively, compared to the same periods of the previous year. Due to following reasons:
 - Revenue from sales Q3/2024 for the 3-month and 9-month periods amounted to Baht 454.75 million and Baht 1,326.49 million, respectively. Compared to the same periods of the previous year, which recorded Baht 281.85 million and Baht 1,268.87 million, respectively, sales revenue increased by Baht 172.90 million or 61.34% and by Baht 57.62 million or 4.54%, respectively. In Q3/2024, the subsidiary sold the undeveloped land under project development costs to unrelated parties. However, the recognition of revenue from the gradual transfer of ownership has decreased. Most of the ownership transfers and revenue recognition were derived from the Malton Gates Krungthep Kreetha Project.
 - Revenues from hotel operations Q3/2024 for the 3-month and 9-month periods amounted to Baht 57.34 million and Baht 210.01 million, respectively. Compared to the same periods of the previous year, which recorded Baht 50.12 million and Baht 194.40 million, respectively, hotel revenue increased by Baht 7.22 million or 14.41% and by Baht 15.61 million or 8.03%, respectively. 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 Q3/2024 for the 3-month and 9-month periods amounted to Baht 30.53 million and Baht 92.32 million, respectively. Compared to the same periods of the previous year, which recorded Baht 22.27 million and Baht 59.13 million, respectively, management fee income increased by Baht 8.26 million or 37.09% and by Baht 33.19 million or 56.13%, respectively. The increase was due to the rise in project management contracts, primarily from projects developed under joint venture operations.
 - Rental income Q3/2024 for the for the 3-month and 9-month periods amounted to Baht 53.37 million and Baht 150.97 million, respectively. Compared to the same periods of the previous year, which recorded Baht 45.31 million and Baht 126.77 million, respectively, rental income increased by Baht 8.06 million or 17.79% and by Baht 24.20 million or 19.09%, 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 Q3/2024 for the 3-month and 9-month periods amounted to Baht 726.95 million and Baht 1,948.30 million, respectively. This represents an increase of Baht 254.70 million or 53.93% and Baht 203.73 million or 11.68%, respectively, compared to the same periods of the previous year. Due mainly to the following reasons:
 - Cost of sales Q3/2024 for the 3-month and 9-month periods amounted to Baht 424.45 million and Baht 1,042.63 million, respectively. Compared to the same periods

of the previous year, which recorded Baht 190.68 million and Baht 840.16 million, respectively, the cost of sales increased by Baht 233.77 million or 122.60% and by Baht 202.47 million or 24.10%, respectively. The main reason for these increases is due to the subsidiary sold undeveloped land under project development costs to unrelated parties, which consistent with the rise in revenue. However, the cost of sales from the transfer of ownership (Excluding cost of land sales) decreased, which decreased in line with the decrease in revenue from property transfers.

- Hotel operating costs Q3/2024 for the 3-month and 9-month periods amounted to Baht 42.56 million and Baht 137.37 million, respectively. Compared to the same periods of the previous year, which recorded Baht 41.18 million and Baht 135.78 million, respectively, the hotel operating costs increased by Baht 1.38 million or 3.35% and by Baht 1.59 million or 1.17%, respectively. This increase was consistent with the rise in revenue.
- Management costs Q3/2024 for the 3-month and 9-month periods amounted to Baht 24.95 million and Baht 76.42 million, respectively. Compared to the same periods of the previous year, which recorded Baht 19.17 million and Baht 50.37 million, respectively, management costs increased by Baht 5.78 million or 30.15% and by Baht 26.05 million or 51.72%, respectively. This increase was in line with the rise in revenue.
- Rental costs Q3/2024 for the 3-month and 9-month periods amounted to Baht 13.06 million and Baht 37.84 million, respectively. Compared to the same periods of the previous year, which recorded Baht 11.61 million and Baht 35.87 million, respectively, rental costs increased by Baht 1.45 million or 12.49% and by Baht 1.97 million or 5.49%, respectively. This increase was in line with the rise in revenue.
- Selling expenses Q3/2024 for the 3-month and 9-month periods amounted to Baht 68.09 million and Baht 198.91 million, respectively. Compared to the same period of the previous year, which recorded Baht 73.65 million and Baht 255.93 million, respectively, selling expenses decreased by Baht 5.56 million or 7.55% and by Baht 57.02 million or 22.28%, respectively. The main reason for these decreases is due to lower commissions, transfer costs, and specific business tax, which decreased in line with the decrease in revenue from property transfers (Excluding revenue of land sales)
- Administrative expenses Q3/2024 for the 3-month and 9-month periods amounted to Baht 153.49 million and Baht 419.96 million, respectively. Compared to the same period of the previous year, which recorded Baht 128.06 million and Baht 405.01 million, respectively, administrative expenses increased by Baht 25.43 million, or 19.86%, and by Baht 14.95 million, or 3.69%, respectively. The main reason was the amortization of project costs for projects that were not further developed.
- Expenses and provisions related to litigation claim Q3/2024 for the 3-month period amounted to Baht 0.35 million, representing a decrease of Baht 7.55 million or 95.57% compared to the same period of the previous year, which recorded Baht 7.90 million.

The decrease was due to the settlement of a lawsuit involving a customer claiming a refund of the deposit and damages related to the registration of condominium ownership. However, expenses and provisions related to litigation claim Q3/2024 for the 9-month period amounted to Baht 35.17 million, representing an increase of Baht 13.72 million or 63.96% compared to the same period of the previous year, which recorded Baht 21.45 million. 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 Q3/2024, for the 3-month and 9-month periods, amounted to Baht 31.29 million and Baht 31.79 million, respectively. Compared to the same period of the previous year, which recorded Baht 32.32 million and Baht 81.88 million, respectively, the share of profit (loss) from joint ventures decreased by Baht 1.03 million or 3.19% and by Baht 50.09 million or 61.17%, 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 Q3/2024 for the 3-month period amounted to Baht 99.10 million, representing an increase of Baht 2.51 million or 2.60% compared to the same period of the previous year, which recorded Baht 96.59 million. The increase was due to the suspension of recognizing interest as part of the cost in certain projects that have been completed. However, finance costs for Q3/2024 for the 9-month period amounted to Baht 294.50 million, representing a decrease of Baht 33.40 million or 10.19% compared to the same period of the previous year, which recorded Baht 327.90 million. Due to the increase in interest expense is capitalized as part of the project cost.
5. Income tax revenue (expenses) Q3/2024 for the 3-month and 9-month periods amounted to Baht 31.31 million and Baht 20.86 million, respectively. Compared to the same period of the previous year, which recorded Baht 5.63 million and Baht (0.07) million, respectively, income tax revenue (expenses) increased by Baht 25.68 million or 456.13% and by Baht 20.93 million or more than 100%, respectively. The main reason for this increase is the reversal of deferred tax liability from the land sale.

B) Financial Position

Assets

As of September 30, 2024, the company had total assets of Baht 17,758.81 million, an increase of Baht 390.56 million or 2.25% from December 31, 2023. The primary reason for this increase was due to an increase of Baht 474.23 million in real estate development costs from the launch and commencement of new projects .

Liabilities and Shareholder's equity

As of September 30, 2024, the company had total liabilities of Baht 13,454.66 million, an increase of Baht 728.31 million or 5.72% from December 31, 2023. The main reason for this increase was due to an increase in short-term debentures of Baht 98.94 million and long-term debentures of Baht 427.37 million, which were used to fund new projects and ongoing operations.

Shareholder's equity as of September 30, 2024, was Baht 4,304.15 million, a decrease of Baht 337.75 million or 7.28% 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