

MJD.IR. 006/2023

12 May 2023

Subject : Clarification of the operating result for quarter 1/2023 ended March 31, 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 1/2023 ended March 31, 2023. The Company has total revenue of Baht 644.85 million and net loss of Baht 77.57 million, compared with the same period in 2022 with total revenue of Baht 585.11 million and net loss of Baht 49.77 million. The major factors are detailed as follows.

1. Total revenue in Q1/2023 was Baht 644.85 million, increased by Baht 59.74 million or 10.21% comparing to Q1/2022 results of total revenue of Baht 585.11 million. Due mainly to the following reasons:
 - Revenue from sales in Q1/2023 of Baht 494.18 million, increased by Baht 12.74 million or 2.65%, comparing to Q1/2022's sales of Baht 481.44 million. It was resulting from the revenue recognition from Malton Gate Krungthep Kreeta Housing Project which was started to complete during the quarter.
 - Revenues from hotel operations in Q1/2023 of Baht 79.29 million, increased by Baht 51.55 million or 185.82%, comparing with Baht 27.74 million in Q1/2022. Covid-19 controls were lifted and no travel restrictions from foreign countries were established, causing the increased in occupancy rate from both domestic and foreign travelers, comparing to the same period of last year.
 - Management fee income in Q1/2023 of Baht 17.60 million, decreased by Baht 2.26 million or 11.36%, comparing with Baht 19.86 million in Q1/2022. It was resulting from ended of project's management agreements in some locations.
 - Rental income in Q1/2023 of Baht 38.44 million, increased by Baht 9.43 million or 32.52%, comparing to Baht 29.01 million in Q1/2022 due to the new addition of tenants at Major Tower Rama 9 – Ramkumhang office building.

2. Total expenses in Q1/2023 were Baht 637.02 million, increased by Baht 12.79 million or 2.05%, comparing with Q1/2022 of total expenses Baht 624.23 million. Due mainly to the following reasons:
 - Cost of sales in Q1/2023 of Baht 328.91 million, decreased by Baht 26.58 million or 7.48%, comparing to Baht 355.50 million in Q1/2022, which was from gaining in cost efficiency. The cost of sales percentage to sales in Q1/2023 and Q1/2022 were 66.56% and 73.84% respectively.

- Cost from hotel operations in Q1/2023 of Baht 46.13 million, increased by Baht 17.06 million or 58.70%, comparing with Baht 29.07 million in Q1/2022. The increased in cost from hotel operations was relating to the increased in its revenues.
 - Selling expenses in Q1/2023 of Baht 82.84 million, increased by Baht 6.45 million or 8.44%, comparing to Baht 76.40 million in Q1/2022. This was due to the increasing in commission, transferring fee, specific business tax and other expenses relating to sale and transfer activities.
 - Administrative expenses in Q1/2023 was Baht 152.52 million, increased by Baht 15.95 million or 11.68%, comparing with Baht 136.57 million in Q1/2022.
3. Share of profit from investments in joint ventures in Q1/2023 was Baht 16.92 million, decreased by Baht 75.77 million, comparing to share of profit from investment of Baht 92.69 million in Q1/2022. This was due to the decreasing of revenue recognition of Muniq Langsuan Project which was completed construction and started revenue recognition since December 2021 and majority of its backlogs were transferred in early 2022.
4. Finance cost in Q1/2023 was Baht 108.80 million, decreased by Baht 13.14 million or 10.78%, comparing to Baht 121.94 million in Q1/2022. 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