



NO.IR.2019.00083

26 February 2019

Subject Explanation of operating result of Year 2018

Attn : President, The Stock Exchange of Thailand

SENA development Public Company Limited and its subsidiaries would like to clarify our operating result as of December 31, 2018 as follows:

Net Profit

For the Year 2018, the Company and its subsidiaries' net profit was THB 939.6 million or 17.0%, increased THB 197.1 million or 26.5% compared to year 2017 which had its net profit at THB 742.5 million, as a result from the efficiency and productive cost of sales management.

Revenue

Total Revenue of the Company and its subsidiaries for Year 2018 was THB 5,539.6 million, increased THB 318.4 million or 6.1% compared to year 2017, mainly was from the increasing of project management revenue, golf course revenue and brokerage services revenue.

Total Revenue for Year 2018 and Year 2017 were shown in below table:

Business	2018		2017		Increase/ (-)decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Real estate Sales Housing/Townhome/ Commercial building/ Condominium	968.3	18.1%	1,454.2	28.2%	-485.9	-33.4%
	3,566.0	66.6%	3,081.0	59.7%	485.0	15.7%
	4,534.3	84.7%	4,535.2	87.9%	-0.9	0.0%
Rental and Service Revenue	766.7	14.3%	347.4	6.7%	419.3	120.7%
Revenue from Solar Business	54.5	1.0%	278.4	5.4%	-223.9	-80.4%
	5,355.5	100.0%	5,161.0	100.0%	194.5	3.7%
Other Revenue	184.1		60.2		123.9	205.8%
Total Revenue	5,539.6		5,221.2		318.4	6.1%

Revenue from Real estate sales

In year 2018 and 2017, the Company received the revenue from real estate for sales at THB 4,534.3 million and THB 4,535.2 million respectively, it was decreased THB 0.9 million when compared to year 2017. However, the Company gained 18.8% which was increased when compared to the with last year gross profit from real estate for sales.

The main revenues were from real estate for sales , separating into each brand which are "Niche ID" 1,339 units with its value at THB 3,078.1 million, "Kith" 341 units, THB 456.5 million. Single-detached house, Townhome, Shophouse under "SENA Park Ville" totaling 32 units with value of THB 181.2 million. 19 units, THB 180.2 million under "SENA Park grand", 22 units with their value at THB 102.4 million. Shophouse and Avaneue 18 units, THB 129.5 million. Moreover, as at the late of year 2018, the Company had been registered as one of 'Prow Vanich Co.,ltd' 's shareholders in order to expand our investment in housing projects situated in upcountry. In connection with such event, the Company received the revenue from ownership transfers from housing projects in upcountry at the value at THB 49.7 million and others 18 units, THB 49.2 million, and revenue from land sales at THB 307.5 million.

Rental and Services revenue

In year 2018 and 2017, revenue from rental and services were THB 766.7 and 347.4 million, respectively. The 2018 rental revenue consisted of revenue from apartment for rent in the amount of THB 14.3 million, revenue from juristic person management at THB 35.2 million, revenue from warehouse for rent in the amount of THB 28.1 million, revenue from leasing SENA fest area in the amount of THB 80.7 million and revenue from golf course in the amount of THB 98.1 million, and revenue from Project management service in the amount of THB 489.2 million, revenue from land lease THB 0.4 million and revenue from solar equipment rental THB 0.5 million. Moreover, in the mid of 2018, the Company had acquired the major shares of Acute Realty Co.,Ltd., the real estate brokerage to provide the full scope of real estate development and sales. Acute Realty has the useful database and various channels of selling that shall benefits and extends the Company's opportunities across the market, theirs revenue was at THB 19.8 million.

The revenue was increased THB 419.3 million or equivalent to 120.7% when compared to 2017, mainly came from to the Project management services, golf course and brokerage services.

Revenue from Solar

The company received THB 54.5 million as revenue from solar business in Year 2018. Decreased by THB 223.9 million or 80.4%, when compared to the same period last year that had its revenue at THB 278.4 million. Due to the solar panel installation for Home pro projects in 2017. Nevertheless, in year 2019, the Company had negotiated in equipment acquisition and installation for the solar power generation on rooftop (solar roof) with Index Living Mall Public Company Limited which is under the signing process. This deal is expected the Company's revenue recognition in year 2019.

Cost of Sales

In 2018 and 2017, the total cost was THB 2,833.6 million and THB 3,124.9 million or equivalent to 52.9% and 60.5% of main businesses' revenue respectively. 2018's cost of sales consists of cost of real estate projects sales in the amount of THB 2,425.5 million or 53.5% of sales revenue. Cost of apartment for rent and service in the amount of THB 349.0 million or 45.5% of rental and services revenue. And cost from solar rooftop in the amount of THB 59.1 million which is higher than the last year. However, the Company is able to maintain its efficiency cost control with the average total cost ratio at 52.9%, decreased by the cost of sales in previous year at 60.5%

Selling and Administrative Expenses

In 2018 and 2017, the Company's selling and administrative expenses was THB 1,147.1 million, and THB 997.0 million respectively, comprised of selling expense and administrative expense in the amount of THB 626.2 and 520.9 million or 11.3% and 9.4% of total revenue respectively.

When compared to 2017, selling and administrative expenses had increased THB 150.2 million or equivalent to 15.1% consistent with the increase from the units transfer expenses, specific business taxation for this quarter. And in 2018, the Company had the current 34 projects which increased 25 projects from 2017, resulted in the big amount in public relation activities and advertisement, management and human resource expenses for those new projects launch and the Company's business expansion.

Financial Position

Assets

As of December 31, 2018 total assets of the company and its subsidiaries was at THB 13,750.7 million, increased by THB 3,018.2 million or 28.1% from December 31, 2017 which was at THB 10,732.5 million. The major reasons were from the increased of current assets which are stock of ready-to-transfer unit, land for development at THB 1,504.4 million. Short-term loans for the joint ventures THB 425.9 million, and an increase of account receivable at THB 301.7 million.

On the contrary, total non-current asset as of December 31, 2018 was at THB 3,653.1 million, increased by THB 890.8 million compared to December 31, 2017. Due to the joint venture with Hankyu Hanshin Properties Corp. (Japan) to develop condominium projects together that increased THB 650.5 million. Also, the Company had leased the building and office equipment THB 107.0 million to serve the business extension.

Liabilities

Total liabilities of the Company and its subsidiaries as of December 31, 2018 was THB 7,805.1 million, which consist of current liabilities in the amount of THB 3,914.8 million, and non-current liabilities in the amount of THB 3,890.3 million respectively.

Current liabilities increased by THB 429.6 million, mainly from the 1-year term debentures THB 1,446.0 million and debenture payback at THB 800.0 million, land loan THB 75.0 million.

Whilst other non-current liabilities increased by THB 1,421.1 million, mainly came from the increase of long-term loan, the newly issued debentures at THB 2,245.0 million.

Nevertheless, the debt to equity ratio is 1.3 which means the company was able to maintain D:E ratio at 1.5:1.

Shareholders' Equity

Shareholders' Equity as of December 31, 2018 was at THB 5,945.7 million, increased by THB 1,167.6 million, when compared to December 31, 2017 which had its shareholder's equity at THB 4,778.1 million. Due to the increase of paid-up capital in the amount of THB 206.4 million, the increase of retained earnings at THB 564.7 million. And the increase of Non-controlling interests at THB 382.7 million and from the shareholding proportion in Prow vanich at 55% to invest in the housing in upcountry.

Yours Sincerely,

(Mrs. Weraporn Chaisiriyasawat)
Deputy Chief Executive Officer and Company Secretary
Sena Development Public Company Limited