



NO IR2016.00144

August 11, 2016

Subject Explanation of operating result period of Q2/2016

Attn : President The Stock Exchange of Thailand

Sena development Public Company Limited and its subsidiaries would like to clarify our operating on Q2/2016 at June 30, 2016 as follows:

Net Profit

In the second quarter of 2016, consolidated net profit was THB 403.7 million; net profit margin was 24.2%, which has increased THB 368.3 million or 1,040.7% when compared to Q2/2015. Since, the project condominium, housing, townhome, commercial building and solar business have been transferred increasingly. Therefore, net profit accumulated 6 months ended June 30, 2016 was THB 555.6 million or equivalent to 21.9% of total revenue. When compared to accumulated 6 months of 2015, net profit was THB 110.8 million, which has increased THB 444.8 million or 401.4%.

Revenue

Total Revenue in comparison has shown in table below:

Unit : (million baht)

Business	For 6 months					
	2016		2015		Increase/(-)decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Sales						
Housing/Townhome/commercial building	359.5	14.1%	193.2	19.2%	166.3	86.1%
Condominium	2,022.2	79.6%	678.2	67.5%	1,344.0	198.2%
	2,381.7	93.7%	871.4	86.8%	1,510.3	173.3%
Revenue from rental and service	122.5	4.8%	110.7	11.0%	11.8	10.6%
Revenue from Solar	17.0	0.7%	0.0	0.0%	17.0	-
Total Revenue from Sales and service	2,521.2	99.2%	982.1	97.8%	1,539.1	156.7%
Other Revenue	20.3	0.8%	22.2	2.2%	-1.9	-8.3%
Total Revenue	2,541.5	100.0%	1,004.3	100.0%	1,537.2	153.1%

For 3 months

Business	2016		2015		Increase/(-)Decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Sales						
Housing/Townhome/commercial building	282.2	17.0%	106.2	21.8%	176.0	165.8%
Condominium	1,307.3	78.5%	319.7	65.7%	987.6	308.9%
	1,589.5	95.5%	425.9	87.5%	1,163.6	273.2%
Revenue from rental and service	54.7	3.3%	51.3	10.5%	3.4	6.6%
Revenue from Solar	10.4	0.6%	0.0	0.0%	10.4	-
Total Revenue from Sales and service	1,654.6	99.4%	477.2	98.0%	1,177.4	246.7%
Other Revenue	10.2	0.6%	9.5	2.0%	0.7	7.1%
Total Revenue	1,664.8	100.0%	486.7	100.0%	1,178.1	242.0%

In the second quarter of 2016, consolidated revenue was THB 1,664.8 million. When compared to Q2/2015, total revenue has increased THB 1,178.1 million or equivalent to 242%. So, total revenue accumulated 6 months was THB 2,541.5 million, that has increased 1,537.2 million or 153.1% when compared to the previous year, which have details as followings:

Revenue from Sales

In the second quarter of 2016, revenue from sales was THB 1,589.5 million. When compared to Q2/2015, revenue from sales has increased THB 1,163.6 million or 273.2% because some high-rise projects have been continuously transferred such as “The Kith Lite Bangkradee”, “The Niche ID Bangkae”, “The Niche Ratchavibha” “The Niche ID Praram2”, “The Niche MONO Bangna”, and “The Kith Tiwanont”.

Meanwhile, low-rise projects also have been transferred such as “SENA Park Ville Wongwaen - Ramindra”, “SENA Ville Boromratchonnane sai5”, “Shop house 113”, and “Shop house the Niche ID Bangkae”. Also existing condominiums have been transferred since 2013 such as “SENA Park Grand Ramindra”, “Paremaporn Klong7”.

According to the high volume of transferred units, as a result, total revenue from sales have increased by THB 1,510.3 million or 173.3% when compare to the previous year.

Revenue Rental and Services

In the second quarter of 2016, revenue from rental and services was THB 54.7 million, which consist of revenue from apartment for rent in the amount of THB 10.1 million, revenue from warehouse for rent in the amount of THB 6.9 million, revenue from leasing SENAFest in the amount of THB 23.7 million and revenue from golf course in the amount of THB 14 million. when compared to Q2/2015, the revenue from rental and service was THB 51.3 million, increased THB 3.4 million or 6.6%.

Revenue from Solar

The company recognized revenue from solar panel installation since 2015 and revenue from solar rooftop which selling electricity to PEA since mid of 2015. As a result, in Q2/2016, total revenue from solar business was THB 10.4 million and also had share of profit of associates in the amount of THB 19 million.

Cost of Sales

In the second quarter of 2016, consolidated total cost was THB 907.6 million or 54.9% of total revenue, which consist of cost of sales in the amount of THB 866 million or 54.5% of its revenue, cost of apartment for rent in the amount of THB 7.3 million or 72.1% of its revenue, cost of leasing in the amount of THB 12.5 million or 40.7% of its revenue, cost from golf course in the amount of THB 10.3 million or 73.6% of its revenue and cost of solar rooftop in the amount of THB 11.5 million.

However, the average total cost ratio in Q2/2016 was 54.9% while the ratio in Q2/2015 was 61.5% because of cost management efficiency.

Selling and Administrative Expenses

In the second quarter of 2016, consolidated expense was THB 242.7 million, which was selling expense and administrative expense in the amount of THB 152.7 and 90 million respectively. When compared to Q2/2015, expense has increased THB 106.3 million or equivalent to 78%. Mainly incremental expenses were transfer fee, property tax, personnel expense and expense of solar business. For accumulated 6 months ended June 30, 2016, total expense was THB 411.4 million, which has raised THB 150.9 million or 58% when compared to the same period in 2015.

Assets

As at June 30, 2016 total assets of the company and its subsidiaries was THB 7,453.2 million, decreased by THB 682.8 million from December 31, 2015 which was at THB 8,136.0 million. The major reason was from decreasing of inventory in the amount of THB 681.0 million. So, total current assets as at June 30, 2016 was at THB 3,763.8 million which decreased by THB 615.2 million when compared to December 31, 2015.

On the other hand, total non-current asset as of March 31, 2016 was at THB 3,701.7 million, decreased by THB 55.2 million from that of December 31, 2015 due to the land used for development in the amount of THB 62.5 million and increasing of investment in solar business in the amount of THB 15.1 million.

Liabilities

Total liabilities of the company and its subsidiaries as of June 30, 2016 amounted to THB 3,403.6 million, which consist of current liabilities in the amount of THB 2,538.1 million, and non-current liabilities in the amount of THB 865.5 million. Current liabilities increased by THB 24.3 million and non-current liabilities decreased by THB 1,215.3 million because current portion of long-term debenture was due of THB 1,200.0 million, loan payment and short term promissory note in the amount of THB 1,162.0 million. As a result, the company and its subsidiaries D:E ratio was at 0.84, which no more than 1.5:1.

Shareholders' Equity

Shareholders' Equity as of June 30, 2016 was at THB 4,035.0 million, increased by THB 512.0 million from that of December 31, 2015 due to increasing of retained earnings at THB 499.0 million.

Yours Sincerely,

(Mrs Weraporn Chaisiriyasawat)

Deputy Managing Director and Company Secretary

Sena Development Public Company Limited