



NO. IR2018.00072

26 February 2018

Subject Explanation of operating result of Year 2017

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, 2017 as follows:

In 2017, SENA Development Public Company Limited and its subsidiaries' total revenue was THB 5,221.2 million, increased THB 1,162.6 million or 28.6% when compared to the previous year with the total revenue of THB 4,058.6 million. Since the project condominium, single detached house, commercial building and townhomes' sales revenue, rental business, services business and Solar Energy business increased. However, most of the revenue mainly came from the project sales at 87.9% of total revenue from sale and service.

Net profit of Year 2017 was at THB 742.5 million, decreased by THB 20.0 million or 2.6% when compared to the same period last year which had the net profit at THB 762.5 million. As a result from expense on Public relation activities and increasing of management expense in new projects launch and waiting for unit transfer in Year 2018.

Revenue

Total Revenue for Year 2017 and Year 2016 were shown in below table:

Business	2017		2016		Increase/ (-)decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Real estate Sales Housing/Townhome/ Commercial building/ Condominium	1,454.2	28.2%	704.5	17.6%	749.7	106.4%
	3,081.0	59.7%	3,025.8	75.5%	55.2	1.8%
	4,535.2	87.9%	3,730.3	93.1%	804.9	21.6%
Rental and Service Revenue	347.4	6.7%	238.4	6.0%	109.0	45.7%
Revenue from Solar Business	278.4	5.4%	37.3	0.9%	241.1	646.3%
	5,161.0	100%	4,006.0	100%	1,155.0	28.8%
Other Revenue	60.2		52.6		7.6	14.5%
Total Revenue	5,221.2		4,058.6		1,162.6	28.6%

Revenue from Real estate sales

The Company's revenue from project sales of 2017 was THB 4,535.2 million. Increased by THB 804.9 million or 21.6% when compared to the same period last year which was THB 3,730.3 million. Mainly came from the increasing of real estate sales revenue.

The Sales revenue from Condominium Project was at THB 3,081.0 million. Increased by THB 55.2 million or equal to 1.8% when compared to Year 2016. Mainly came from the "Niche" brand 6 projects with total revenue at THB 2,409.0 million which are "The Niche Pride Thonglor-Petchaburi" where starting transfer in Q3/2017, "The Niche ID Serithai", "The Niche Mono Ratchavibha", "The Niche ID Bangkae", "The Niche Mono Peak Bangna" and "The Niche ID RAMA II Phase 2".

Moreover, 3 projects from the "Kith" brand with its total revenue at THB 576.8 million comprising of "The Kith Tiwanon", "The Kith Lite Bangkradi", "The Kith Plus Sukhumvit 113".

Furthermore, 5 projects in single detached house under "SENA Park Ville and SENAPark Grand" brand also start the ownership transfer, with the total revenue of THB 550.7 million. And 5 projects in commercial building and townhome with total revenue of THB 152.5 million.

Rental and Services revenue

Rental and Services revenue

In year 2017, revenue from rental and services was THB 347.4 million, which consist of revenue from apartment for rent in the amount of THB 44.1 million, revenue from warehouse for rent in the amount of THB 31.1 million, revenue from leasing SENAFest in the amount of THB 91.7 million and revenue from golf course in the amount of THB 78.1 million, and revenue from Project management service in the amount of THB 102.4 million, increased THB 109.0 million or 45.7%, when compared to Year 2016, which had its revenue from rental and service was THB 238.4 million. Mainly came from to the Project management service.

Revenue from Solar

The company received THB 278.4 million as revenue from solar business in Year 2017. Increased by THB 241.1 million or 646.3%, when compared to the same period last year. The revenue has increased from Solar panel installation service to 6 branches (6 Megawatt) of 'Home Pro'.

Cost of Sales

In 2017 and 2016, consolidated total cost was THB 3,124.9 million and THB 2,262.7 million respectively. It consists of cost of projects sales in the amount of THB 2,760.6 million. Cost of apartment for rent and service in the amount of THB 176.1 million. And cost from Solar Rooftop in the amount of THB 188.1 million. The average total cost ratio was at 60.9%, 50.7% and 67.6% respectively.

The average total cost ratio of 2017 was 60.5%, slightly increased when compared to the same period last year, which was at 56.5% resulted in gross profit of 2017 reduced to 39.5% when compared to Year 2016 with its gross profit at 43.5%. However, the Company is able to maintain its efficiency cost control.

Selling and Administrative Expenses

In 2017, the Company's consolidated expense was THB 997.0 million, which was selling expense and administrative expense in the amount of THB 595.4 and 401.6 million or 11.4% and 7.6% of total revenue respectively.

When compared to 2016, selling expense and administrative expense had increased THB 182.6 million or equivalent to 22.4% consistent with the increase from Public relation activities and advertisement, and management expense for new projects launch which will start its revenue recognition from unit transfer in Q4/2018.

Net Profit

For the Year 2017 and 2016, the Company and its subsidiaries' net profit was THB 742.5 million, and THB 762.5 million or 14.2% and 18.8% respectively. Net profit reduced to THB 20.0 million or 2.6% as a result from new projects launch expenses in 2017. And will start the revenue recognition in 2018.

Financial Position

Assets

As of December 31, 2017 total assets of the company and its subsidiaries was at THB 10,732.5 million, increased by THB 3,099.0 million from December 31, 2016 which was at THB 7,633.4 million.

The major reasons were from the increased of cash and cash equivalents in the amount of THB 576.8 million. From ownership transfer of "The Niche Pride Thonglor-Petchaburi". From account receivable and other account receivable in the amount of THB 457.3 million. And inventory of 9 new projects which was 1 project "The Kith" brand, 6 projects in "The Niche" brand, 2 projects from SENA shop house total THB 1,508.9 million. And land for development in the amount of THB 1,430 million resulted in the current asset as of December 31, 2017 at THB 7,970.1 million, increased by THB 2,658.0 million when compared to December 31, 2016.

On the contrary, total non-current asset as of December 31, 2017 was at THB 2,762.3 million, increased by THB 441.0 million compared to December 31, 2016 which had its non-current asset at THB 2,321.3 million. Due to the operating result in the Company's joint investment with Hankyu Realty Co.,Ltd (Japan) since December 2016 in the amount of THB 380.4 million.

Liabilities

Total liabilities of the Company and its subsidiaries as of December 31, 2017 was THB 5,954.3 million, which consist of current liabilities in the amount of THB 3,485.2 million, and non-current liabilities in the amount of THB 2,469.1 million respectively. Current liabilities increased by THB 764.3 million, mainly from the increase of account payable and other account payable in the amount of THB 704.6 million.

While other non-current liabilities increased by THB 1,609.4 million, mainly came from debenture issuing THB 2,400 million and debenture due payment paid in the amount THB 1,200 million.

Nevertheless, the company was able to maintain theirs D:E ratio at 1.5:1.

Shareholders' Equity

Shareholders' Equity as of December 31, 2017 was at THB 4,724.9 million, increased by THB 692.3 million when compared to December 31, 2016. Due to the increase of retained earnings at THB 595.2 million. And the increase of paid-up capital in the amount of THB 72.3 million.

Yours Sincerely,

(Mrs Weraporn Chaisiriyasawat)
Deputy Managing Director and Company Secretary
Sena Development Public Company Limited