



NO SN/SET/IR 003/2559

February 25, 2016

Subject Explanation of operating result for the Year 2015

Attn : President The Stock Exchange of Thailand

Sena development Public Company Limited and its subsidiaries would like to clarify our operating result for the year 2015 ended December 31, 2015 as follows:

In 2015, total consolidated revenue was THB 2,219.4 million, decreased THB 555.1 million or 20.0% when compared to the previous year which had total revenue in the amount of THB 2,774.5 million due to the declining of revenue from condominium. However, revenue from housing, townhome and rental business has increased THB 122.3 million. By the way, revenue from real estate is still the main portion of the total revenue which is at 87%.

For consolidated net profit in year 2015, was THB 253.9 million which decreased THB 180.7 million when compared to the previous year or equivalent to 41.6%. The reason was because the company had incremental expenses in Solar Project and joint development with AIRA and Sangfa construction, which will strengthen the Company operational efficiency.

#### Revenue

Revenue in comparison has shown in table below:

Unit : (million baht)

	Year 2015		Year 2014		Increase/(-) Decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Real Estate						
Housing/Townhome/Shop house	468.8	21.5%	395.3	14.4%	73.5	18.6%
Condominium	1,461.7	67.2%	2,139.2	78.0%	-677.5	-31.7%
	1,930.5	88.7%	2,534.5	92.4%	-604.0	-23.8%
Rental and Services	224.7	10.3%	208.6	7.6%	16.1	7.7%
Solar	22.1	1.0%		0.0%	22.1	100.0%
<b>Total</b>	<b>2,177.3</b>	<b>100.0%</b>	<b>2,743.1</b>	<b>100.0%</b>	<b>-565.8</b>	<b>-20.6%</b>

#### Revenue from Real Estate

In 2015, the company had revenue from sales in total THB 1,930.5 million, decreased by THB 604.0 million or equivalent to 23.8% when compared to the previous year. The main reason was the declining of transferred condominiums, which was THB 1,461.7 million while the amount in 2014 was THB 2,139.1 million. Meanwhile, revenue from housing/townhome/shophouse in 2015 was at THB 468.8 million or 21.5% of total revenue.

Revenue from housing/townhome/shop house in 2015 was THB 468.8 million, increased THB 73.5 million or 18.6% when compared to the previous year. The major portion was from S-ville, SENA town and SENA Ville in the amount of THB 132.3 million, THB 38.3 million and THB 68.7 million respectively. In addition, SENA Park Grand project has continuously transferred throughout the year at the amount of THB 169.7 million.

Revenue from condominium in 2015 was THB 1,461.7 million, decreased by THB 677.5 million or 31.7% when compared to the previous year. The Niche Bangkai and The Kite Lite Bangkradee have been constructed and transferred in December 2015. However, the projects have opened some phases for sale so it had less units sold when compared to 2014

Mainly revenue from condominium was under brand THE NICHE and THE KITH which is included The Niche MONO Bangna, The Niche Praram2, The Niche ID Bangkhae totally in the amount of THB 662.9 million and from The Kith Klongluang, The Kith Tiwanont, The Kith Klongsong, The Kith Nawamin and The Kith Lite Bangkradee in the amount of THB 779.9 million.

#### **Revenue from Rental and Services**

In 2015, total revenue from rental and services was THB 224.7 million which consist of revenue from apartment and warehouse for rent in the amount of THB 64 million, revenue from SENA fest was THB 91.1 million and revenue from golf course in the amount of THB 69.6 million. When compared to the previous year, revenue from rental and services has increased THB 16.1 million or 7.7%. The incremental was from golf course THB 12.1 million and the others THB 4 million.

#### **Revenue from Solar**

In 2015, the company had revenue from selling electricity on solar rooftop, which is located at SENA warehouse, in the amount of THB 3.3 million (COD in mid of June 2015) and also revenue from installation as EPC in the amount of THB 18.8 million.

#### **Cost of Sales**

In 2015, cost of sales was THB 1,137.2 million, or equivalent to 58.9% of revenue from real estate. It is quite stable when compare to 2014 which the ratio was at 59.4%. For gross margin, it was at 41.1%, slightly higher than the previous year which was at 40.6% because the company has an effective cost control.

Cost of rental and services was at THB 128.9 million, increased THB 13.7 million or 2.1% when compare to 2014.

#### **Selling and Administrative Expenses**

Selling and administrative expense in 2015 was THB 573.5 million or 25.8% of total revenue while in 2014 the expense was at THB 561.6 million or 20.2% of total revenue.

For selling expense in the amount of THB 269.9 million or 12.2% of total revenue, has decreased THB 20.29 million from the previous year. The expense included advertising and promotion of The Niche Pride project.

However, administrative expense in 2015 was THB 303.6 million which has increased THB 32.2 million when compare to the previous year because of the expense in personnel and Solar business.

#### **Net Profit**

In 2015, the company and its subsidiaries reported net profit of THB 253.9 million or 11.4% which has decreased THB 180.7 million when compare to the previous year. The main reason was the declining of transferred condominiums including operation expense in solar business and investment in joint venture project.

#### **Assets**

As at December 31, 2015 total assets of the company and its subsidiaries was THB 8,136 million, increased by THB 1,426.7 million from December 31, 2014 due to the inventories in the amount of THB 3,964.2 million. The company has projects under construction and ready to transfer such as The Niche Ratchavibha, The Niche ID Sereethai, The Niche Pride. As a result, a total current asset as of December 31, 2015 was at THB 4,379 million, increased THB 1,008.4 million from that of December 31, 2014.

On the other hand, total non-current asset as of December 31, 2015 was at THB 3,757 million, increased by THB 418.3 million from that of December 31, 2014 due to the new club house at Golf Course, Solar panels and equipments and goodwill of SENA solar energy which is the company's subsidiary.

**Liabilities**

Total liabilities of the company and its subsidiaries as of December 31, 2015 amounted to THB 4,594.6 million, which consist of current liabilities in the amount of THB 2,513.8 million, and non-current liabilities in the amount of THB 2,080.8 million. Current liabilities decreased by THB 1,207.9 million because short term promissory notes were due of THB 1,776 million. Meanwhile, non-current liabilities increased THB 1,869.3 million due to debenture in the amount of THB 2,000 million and decreasing in long term promissory notes also the payment of long term loan from financial institute in the amount of THB 126.6 million. However, the company and its subsidiaries can keep D:E ratio no more than 1.5:1.

**Shareholders' Equity**

Shareholders' Equity as of December 31, 2015 was at THB 3,541.4 million, increased by THB 765.4 million from that of December 31, 2014 due to capital increase and premium on share capital together with increasing in retained earnings.

Yours Sincerely,

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