



NO. IR2017.00340

14 November 2017

Subject Explanation of operating result period of Q3/2017

Attn : President, The Stock Exchange of Thailand

SENA development Public Company Limited and its subsidiaries would like to clarify our operating as of September 30, 2017 as follows:

### Net Profit

For the third quarter of 2017, the Company and its subsidiaries' net profit was THB 151.8 million or 11.4% of total revenue, increased THB 47.4 million or 45.4% when compared to Q3/2016. Since the project condominium's sales revenue, Rental Business and Solar Energy Business increased, resulted in 9-months Net profit at THB 309.9 million or 10.3% of total revenue which decreased THB 350.1 million or 53.0% when compared to Net profit of Q3/2016, at THB 660.0 million that had the Government's Real Estate stimulus package by reducing the Ownership transfer fee and mortgage fee in the last half-year.

### Revenue

Total Revenue for 3 months and 9 months of Q3/2017 and Total Revenue for 3 months and 9 months of Q3/2016 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 / Land Condominium	256.6 952.2 1,208.8	19.5% 72.3% 91.8%	34.2 584.1 618.3	5.1% 86.4% 91.4%	222.4 368.1 590.5
Rental and Service Revenue	91.5	6.9%	56.2	8.3%	35.3	62.7%
Revenue from Solar Business	17.1	1.3%	1.9	0.3%	15.2	811.4%
Total Revenue from Sales and service	1,317.4	100.0%	676.4	100.0%	641.0	94.8%
Other Revenue	13.6		16.2		-2.6	-16.3%
Total Revenue	1,331.0		692.6		638.4	92.2%

3 months

Business	2017		2016		Increase/ (-)decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
	Revenue from Real estate Sales Housing/Townhome/ / Commercial building Condominium	1,241.2 1,409.3 2,650.5	42.0% 47.7% 89.7%	393.7 2,606.3 3,000.0	12.3% 81.5% 93.8%	847.5 -1,197.0 -349.5
Rental and Service Revenue	246.2	8.3%	178.7	5.6%	67.5	37.8%
Revenue from Solar Business	57.4	1.9%	18.9	0.6%	38.5	203.8%
Total Revenue from Sales and service	2,954.1	100.0%	3,197.6	100.0%	-243.5	-7.6%
Other Revenue	47.4		36.6		10.8	29.7%
Total Revenue	3,001.5		3,234.2		-232.7	-7.2%

9 months

The 3-months total revenue of 2017 was THB 1,331.0 million. Increased by THB 638.4 million or 92.2% when compared to the same period last year, resulted in 9-month-total revenue of 2017 equals to THB 3,001.5 million, decreased THB 232.7 million or 7.2% when compared to the same period last year.

### **Revenue from Sales**

The Sales revenue from Residential Project as of Q3/2017 was at THB 1,208.8 million. Increased by THB 590.5 million or equal to 95.5% when compared to Q3/2016 which had its sales revenue at THB 618.3 million. Mainly from the high valued projects that have been recognized its revenue since 2016 which are "SENA Park Ville Ramintra", "SENA Ville Borommaratchanonnani - Sai 5", "SENA Shophouse Sukhumvit 113", and from the condominium projects, "The Niche Pride Petchaburi-Thonglor", "The Niche ID RAMA II Phase 2", "The Niche ID Serithai", starting transfer in Q3/2017, resulted in the 9-months-Sales revenue from Residential Project of 2017 is THB 2,650.5 million, decreased THB 349.5 million or 11.7% when compared to the same quarter in 2016 that had the Sales revenue from Residential Project in the amount of THB 3,000 million.

### **Rental and Services revenue**

In the third quarter of 2017, revenue from rental and services was THB 91.5 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 8.1 million, revenue from leasing SENA fest in the amount of THB 23.2 million and revenue from golf course in the amount of THB 14.9 million, and revenue from Project management service in the amount of THB 35.2 million, increased THB 35.3 million or 62.7%, when compared to Q3/2016, which had its revenue from rental and service was THB 56.2 million. Mainly came from to the Project management service resulted in the 9-months-revenue from rental and services equals to THB 246.2 million, increased by THB 67.5 million or 37.8% when compared to Q3/2016 which had its revenue at THB 178.7 million.

### **Revenue from Solar**

According to the Company activities in Renewable energy business, Solar farm, Solar Rooftop and Solar panel installation service since 2015. The company started to recognize the Solar panel installation service's revenue and Solar Rooftop since June 2015.

The company received THB 17.1 million as revenue from solar business in Q3/2017. Increased by THB 15.2 million or 811.4%, when compared to the same quarter last year at THB 1.9 million. And resulted in 9-months-revenue equals to THB 57.4 million, increased THB 38.5 million or 203.8% when compared to the same quarter last year which had its revenue at THB 18.9 million. And had share of profit of associates in 9-months period in the amount of THB 43.9 million.

### **Cost of Sales**

In the third quarter of 2017, consolidated total cost was THB 822.9 million or 62.5% of total revenue, which consist of cost of projects sales in the amount of THB 758.9 million or 62.8 % of sales revenue, cost of apartment for rent and service in the amount of THB 8.6 million or 85% of its revenue, cost of Project Management in the amount of THB 18.1 million or 51.2% of project management revenue, cost of leasing and service in SENA Fest in the amount of THB 10.1 million or 43.5% of its revenue, cost from golf course and services in the amount of THB 12.6 million or 84.4% of its revenue. And cost from Solar Rooftop in the amount of THB 13.4 million or 78.6% of its revenue.

However, the average total cost ratio in Q3/2017 was 62.5%, increased when compared to the ratio of Q3/2016, which was at 58.5% and had 9-months-average total cost ratio at 64.6%, considered increased by 56.8%

## **Selling and Administrative Expenses**

In the third quarter of 2017, consolidated expense was THB 300.8 million, which was selling expense and administrative expense in the amount of THB 192.1 and 108.0 million or 14.4% and 8.1% of total revenue respectively.

When compared to Q3/2017, selling expense and administrative expense had increased THB 131.1 million or equivalent to 77.6% consistent with the increase from Ownership Transfer resulted in increased Ownership Transfer fee and the increase of Business Tax in this quarter. Moreover, with the Public Relation and advertisement to publicize and advertise the company's brand, and Personnel expense, also the Company's subsidiaries operating expense since the beginning of 2017 to expand the business, resulted to 9-months Selling expense and administrative expense was THB 613.4 million, increased by THB 33.0 million or 5.7%.

## **Financial Position**

### **Assets**

As of September 30, 2017 total assets of the company and its subsidiaries was at THB 10,262.2 million, increased by THB 2,628.7 million from December 31, 2016 which was at THB 7,633.4 million. The major reason was from the increased inventory at THB 1,365.5 million. Resulted the current assets as of September 30, 2017 was at THB 7,556.0 million which increased by THB 2,244.0 million when compared to December 31, 2016 which had the current assets at THB 5,312.1 million

On the contrary, total non-current asset as of September 30, 2017 was at THB 2,706.1 million, increased by THB 384.8 million compared to December 31, 2016 which was at THB 2,321.3 million. Due to the operating result in the Company's other investment, in the amount of THB 356.2 million.

### **Liabilities**

Total liabilities of the Company and its subsidiaries as of September 30, 2017 was THB 5,952.6 million, which consist of current liabilities in the amount of THB 3,479.0 million, and non-current liabilities in the amount of THB 2,473.6 million respectively. Current liabilities increased by THB 758.0 million, mainly from the increase of 1-year promissory note and 1 year due Long-term loan in the amount of THB 244.6 million, the advance payment from customers' down payment THB 161.7 million, Account payable THB 367.4 million and and loan payment in the amount of THB 400.0 million.

While non-current liabilities as of September 30, 2017 was THB 2,473.6 million, increased by THB 1,609.4 million when compared to December 2016 ,regarding the increase of Long-term loan in the amount of THB 1,598.0 million.

Nevertheless, the Debt to Equity ratio was 1.38 which the company was able to maintain theirs D:E ratio at 1.5:1.

### **Shareholders' Equity**

Shareholders' Equity as of September 30, 2017 was at THB 4,286.6 million, increased by THB 250.0 million when compared to December 31, 2016 which was THB 4,032.6 million. Due to the increase of paid-in capital in the amount of THB 72.3 million and the increase of retained earnings at THB 160.9 million.

Yours Sincerely,

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