



NO.IR2017.00255

11 August 2017

Subject Explanation of operating result period of Q2/2017

Attn : President, The Stock Exchange of Thailand

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

### Net Profit

For the second quarter of 2017, the Company and its subsidiaries' net profit was THB 87.4 million or 7.4% of total revenue, decreased THB 316.3 million or 78.4% when compared to Q2/2016. Since the project condominium's sales revenue decreased, resulted in 6-months Net profit at THB 158.1 million or 9.5% of total revenue which decreased THB 397.5 million or 71.5% when compared to Net profit of Q2/2016, at THB 555.6 million that had the Government's Real Estate stimulus package by reducing the Ownership transfer fee and mortgage fee in the previous year.

### Revenue

Total Revenue for 3 months of Q2/2017 and Total Revenue for 6 months of Q2/2016 were shown in below table:

6 months

Business	Q2/2017		Q2/2016		Increase/ (-)decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Sales						
Housing/Townhome/	984.5	60.2%	359.5	14.3%	625.0	173.8%
Commercial building / Land	457.2	27.9%	2,022.2	80.2%	-1,565.0	-77.4%
Condominium						
	1,441.7	88.1%	2,381.7	94.5%	-940.0	-39.5%
Rental and Service Revenue	154.7	9.5%	122.5	4.9%	32.2	26.3%
Revenue from Solar Business	40.3	2.5%	17.0	0.7%	23.3	136.9%
Total Revenue from Sales and service	1,636.7	100.0%	2,521.2	100.0%	-884.5	-35.1%
Other Revenue	33.8		20.3		13.4	65.9%
Total Revenue	1,670.5		2,541.5		-871.0	-34.3%

Business	Q2/2017		Q2/2016		Increase/ (-)decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Sales						
Housing/Townhome/	816.9	69.8%	282.2	17.1%	534.6	189.4%
Commercial building /	255.5	21.8%	1,307.3	79.0%	-1,051.8	-80.5%
Condominium						
	1,072.3	91.6%	1,589.5	96.1%	-517.2	-32.5%
Rental and Service Revenue	84.1	7.2%	54.7	3.3%	29.4	53.6%
Revenue from Solar Business	14.0	1.2%	10.4	0.6%	3.6	34.5%
Total Revenue from Sales and service	1,170.4	100.0%	1,654.6	100.0%	-484.2	-29.3%
Other Revenue	12.3		10.2		2.1	20.4%
Total Revenue	1,182.7		1,664.8		-482.1	-29.0%

The 3-months total revenue of 2017 was THB 1,182.7 million. Decreased by THB 482.1 million or 29.0% when compared to the same period last year, resulted in 6-months total revenue of 2017 equals to THB 1,670.5 million, decreased THB 871.0 million or 34.3% when compared to the same period last year.

## Revenue from Sales

The Sales revenue from Residential Project as of Q2/2017 was at THB 1,072.3 million. Decreased by THB 517.2 million or equal to 32.5% when compared to Q2/2016 which had its sales revenue at THB 1,589.5 million. As a result from the reduction of Condominium projects' Ownership transfer revenue recognition caused the 6-months 2017 Condominium sales revenue equals to THB 1,441.7 million, decreased by THB 940.0 million or 39.5% when compared to the same period last year which had its Condominium sales revenue at THB 2,381 million.

However, the company was continuously recognized revenue from High rise Project , "The Kith" project which are "The Kith Lite Bangkradee", "The Kith Tiwanon". "The Niche" project, "The Niche ID Serithai", "The Niche ID Bangkae", and "The Niche Ratchavipha" which considered a big project.

Furthermore, the company was continuously recognized revenue from previous year Low rise Project also. The high valued project which have been recognized its revenue since 2013 are "SENA Park Grand Ramintra" and "Praemaporn Klong 7". Moreover, Shop house project revenue still consecutively recognized which are "Shop house Sukhumvit 113", "Shop house The Niche ID Bangkae", "Shop house Lumlookka Klong 2", "SENA Town Nawamin" and " S-Ville Klong Laung ".

## Revenue Rental and Services

In the second quarter of 2017, revenue from rental and services was THB 84.1 million, which consist of revenue from apartment for rent in the amount of THB 11.6 million, revenue from warehouse for rent in the amount of THB 8.2 million, revenue from leasing SENA fest in the amount of THB 23.1 million and revenue from golf course in the amount of THB 13.6 million, and revenue from Project management in the amount of THB 27.6 million, increased THB 29.4 million or 53.6%, when compared to Q2/2016, its revenue from rental and service was THB 54.7 million.

The increased revenue was mainly came from the Project Management revenue, resulted in 6-months revenue from rental and services equals to THB 154.7 million, increased by THB 32.2 million, or 26.3 % when compared to Q2/2016 which its revenue from rental and service was THB 122.5 million

## Revenue from Solar

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

The company received THB 14.0 million as revenue from solar business in Q2/2017. Increased by THB 3.6 million or 34.5%, when compared to the same quarter last year. And resulted in 6-months revenue equals to THB 40.3 million, increased THB 23.3 million or 136.9% when compared to the same quarter last year which had its revenue at THB 17.0 million. And had share of profit of associates in 6-months period in the amount of THB 35.9 million.

## Cost of Sales

In the second quarter of 2017, consolidated total cost was THB 819.6 million or 70.0% of total revenue, which consist of cost of projects sales in the amount of THB 245.1 million or 55.3 % of sales revenue, cost of apartment for rent and service in the amount of THB 8.6 million or 74.5% of its revenue, cost of Project Management in the amount of THB 7.0 million or 25.5% of project management revenue, cost of leasing and service in SENA Fest in the amount of THB 10.4 million or 44.9% of its revenue, cost from golf course and services in the amount of THB 11.7 million or 86.5% of its revenue. And cost from Solar Rooftop in the amount of THB 7.6 million or 54.1% of its revenue.

However, the average total cost ratio in Q2/2017 was 70.0%, increased when compared to the ratio of Q2/2016, which was at 54.8% and had 6-months average total cost ratio at 66.3%, considered increased by 56.4%

## Selling and Administrative Expenses

In the second quarter of 2017, consolidated expense was THB 178.1 million, which was selling expense and administrative expense in the amount of THB 72.8 and 105.3 million or 6.1% and 8.9% of total revenue respectively.

When compared to Q2/2017, selling expense and administrative expense had decreased THB 65.3 million or equivalent to 26.8% consistent with the decrease of total revenue. Mainly came from the decrease from Transfer fee and the reduction of Business Tax in Ownership transfer specifically in this quarter resulted to 6-months Selling expense and administrative expense was THB 313.3 million, decreased by THB 98.1 million or 23.8%.

## Financial Position

### Assets

As of June 30, 2017 total assets of the company and its subsidiaries was at THB 9,830.4 million, increased by THB 2,197.0 million from December 31, 2016 which was at THB 7,633.4 million. The major reason was from the increased inventory at THB 1,245.4 million. Resulted the current assets as of June 30, 2017 was at THB 7,250.5 million which increased by THB 1,938.4 million when compared to December 31, 2016.

On the contrary, total non-current asset as of June 30, 2017 was at THB 2,579.9 million, increased by THB 258.6 million compared to December 31, 2016. Due to the operating result in the Company's other investment, in the amount of THB 254.2 million.

### Liabilities

Total liabilities of the Company and its subsidiaries as of June 30, 2017 was THB 5,616.1 million, which consist of current liabilities in the amount of THB 4,144.8 million, and non-current liabilities in the amount of THB 1,471.3 million. Current liabilities increased by THB 1,423.9 million, mainly from the increase of 1-year promissory note and short-term loan from Financial institutes in

the amount of THB 1,183.7 million. 1 year due Long-term loan in the amount of THB 112.4 million, and loan payment in the amount of THB 800 million.

While non-current liabilities increased by THB 607.0 million when compared to December 2016, regarding the increase of Long-term loan in the amount of THB 599.0 million.

Nevertheless, the Debt to Equity ratio was 1.33 which the company was able to maintain their D:E ratio at 1.5:1.

### **Shareholders' Equity**

Shareholders' Equity as of June 30, 2017 was at THB 4,188.3 million, increased by THB 155.7 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 71.6 million and the increase of retained earnings at THB 75.3 million.

Yours Sincerely,

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