



NO. IR2019.00298

14 August 2019

Subject : Explanation of operating results for the second quarter of 2019 (edited)

Dear : President, The Stock Exchange of Thailand

Sena Development Public Company Limited and subsidiaries would like to clarify our operating results as of June 30, 2019 as follows:

Net Profit

For the second quarter of 2019, the Company and subsidiaries was net profit 119.4 million THB or 10.6% of total revenue. Decrease of 105.8 million THB or 47% compared to 2/2018 ,which had a net profit of 225.2 million THB. Decreased revenue of sales Resulting a net profit for the 6-month period at 279.1 million THB or 11.9% of total revenue. Decreased by 110.7 million THB or 28.4% compared to the same period of the last year With a net profit of 389.8 million THB.

Revenue

Total revenue for the 3 months and 6 months period in 2/2019 and 2/ 2018 can be analyzed according to the table below.

Business group	6 months					
	2019		2018		Increase/ (-)decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from real estate sales						
Housing/Townhome/	412.3	18.1%	558.9	20.1%	-146.6	-26.2%
Commercial building	1,123.6	49.5%	1,934.5	69.6%	-810.9	-41.9%
Condominium	1,535.9	67.6%	2,493.4	89.7%	-957.5	-38.4%
Rental and Service Revenue	673.2	29.6%	278.8	10.0%	394.4	141.5%
Revenue from Solar Business	63.1	2.8%	8.4	0.3%	54.7	651.2%
Total Revenue from Sales and service	2,272.2	100.0%	2,780.6	100.0%	-508.4	-18.3%
Other Revenue	70.2		41.8		28.4	67.9%
Total Revenue	2,342.4		2,822.4		-480.0	-17.0%

Business group	3 months					
	2019		2018		Increase/ (-)decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from real estate sales						
Housing/Townhome/	102.3	9.4%	425.2	24.8%	-322.9	-75.9%
Commercial building	436.2	40.1%	1,171.7	68.4%	-735.5	-62.8%
Condominium	538.5	49.5%	1,596.9	93.2%	-1,058.4	-66.3%
Rental and Service Revenue	490.5	45.1%	113.5	6.6%	377.0	332.2%
Revenue from Solar Business	58.7	5.4%	3.1	0.2%	55.6	1,793.5%
Total Revenue from Sales and service	1,087.7	100.0%	1,713.5	100.0%	-625.8	-36.5%
Other Revenue	41.9		20.5		21.4	104.4%
Total Revenue	1,129.6		1,734.0		-604.4	-34.9%

Revenues for the 3 months 2019, the company and subsidiaries had total revenue of 1,129.5 million THB. Decrease 604.5 million THB or 34.9% compared to the same period last year. As a result, the total revenue for 6 month 2019 was 2,342.4 million THB. Decrease of 480.0 million baht or 17.0% compared to the same period last year. The details are as follows:

Revenue from real estate sales

The company and subsidiaries had Revenue from real estate sales in the second quarter of 2019, of 538.5 million THB. Decreased 752.3 million THB or 58.3% compared to the same period last year equal 1,596.9 million THB (which has income from land sales of 306.1 million THB), resulting in the Revenue from real estate sales in the 6 month 2019 was 1,535.9 million THB. Decrease 957.5 million THB or 38.4% compared to the same period of the last year equal to 2,493.4 million THB. However, the company still has continuous revenue recognition. Which classified by business type, "Brand Niche", 393 units, worth 896.1 million THB, "Brand Kit", 139 units, worth 227.5 million THB, and detached house, townhome, commercial building under the brand "Sena Park Ville" "Sena Park Grand", "Sena Ville", "Praemaporn", 30 units, worth 176 million THB, Shop House and Avenue, 24 units, 170 million THB, and low-rise projects in the provinces under the Sena vanich company, totaling 33 units, 66.3 million THB.

Rental and Service Revenue

The company and subsidiaries had revenue from Rental and service in the second quarter of 2019, of 490.5 million THB. Consisting of rental and service income of apartments 3.6 million THB, revenue from Juristic person management 9.0 million THB, revenue from warehouse rental 6.9 million THB, revenue from community mall Sena Fest 18.2 million THB, Revenue from golf course 20.9 million THB, revenue from project management 416.1 million THB, revenue from rental of buildings and equipment 1.2 million THB and revenue from commission and real estate consultants of 14.2 million THB. Increase from revenue from project management. As a result, Revenue rental and service income for 6 month period equal 673.2 million THB, An increase of 394.4 million THB or 141.5% compared to the same period last year with at revenue rental and service of 278.8 million THB.

Revenue from Solar Business

The company and subsidiaries had revenue from the solar group in the second quarter of 2019 equal to 58.7 million THB, an increase of 55.6 million THB or 1,793.5% compared to same period last year which had revenue of 3.1 million THB. And in the year 2019, the company entered into a contract of sale and installation for the solar power generation system on the roof (Solar Roof) with Index Living Mall Public Company Limited and started to recognize revenue in June 2019

Other revenue

In the second quarter of 2019, the Company and subsidiaries had other income of 41.9 million THB, or 3.7% of total revenue increasing from the last year by 21.4 million THB, or 104.4%. Due to the company and subsidiaries received interest income from lending to joint ventures and interest income from financial institutions for the 6 month period was 30 million baht, or 71.6% of other income. As a result, other income for the 6 month period increased 28.4 million THB or 67.9%.

In the second quarter of 2019, the company received dividends from subsidiaries of 615.2 million THB, accounting for 87.0% of other revenues of the company. Resulting in the company has other revenues increased equal 660.0 million baht or 1,392.4%

Cost of sales

In the second quarter of 2019, the cost of sales was 478.1 million THB or 44.0% of the revenue from the main business, consisting of cost of sales of projects equal 280.7 million THB or 52.1% of sales revenue. Cost of rental and service apartment equal 3.0 million THB or 83.4% of revenue from rental and service apartments. Cost of Juristic person management is 9.3 million THB, or 102.6% of revenue from Juristic person management. Cost of project management 91.2 million THB or 21.9% of revenue from project management. Cost of Sena Fest 9.8 million THB or 53.7% of revenue from Sena fest. Cost of golf course service 16.5 million THB or 79.3% of revenue from golf course And the cost of solar roof is 53.6 million THB or 91.0%.

Cost of sales for the 6 month of 2019, the company has cost of sales equal 1,085.0 million THB or 47.8% of revenue from the main business. Cost ratio decreased from the same period last year 1,527.6 million THB or 55.4% of the main revenue. Which the company has managed costs more efficiently.

Selling and administrative expenses

The company and subsidiaries had total expenses in the second quarter of 2019 equal to 292.0 million THB consisting of selling expenses 129.5 million THB and administrative expenses 162.5 million THB or 11.5% and 14.4% of total revenue respectively. Selling expenses decreased from the same period of the last year at 60.1 million THB due to the decrease in revenue from sales which are the main business. Cause selling expenses in the promotion section to decrease as well while administrative expenses increased from the same period of the last year in the amount of 9.0 million THB or 5.8 percent. Caused of continued business expansion from the third quarter of 2018, result to the company had administrative expenses in terms of personnel. And other administrative expenses Increased from the same period of the last year. Result to selling expenses and administrative expenses for 6 month period equal 322.2 million THB and 282.0 million THB respectively or 25.8% of total revenue.

financial position

Asset

As of June 30, 2019, the Company and subsidiaries With total assets of 14,380.2 million THB, assets increased amount 682.7 million THB or 5.0% compared to the last year with total assets of 13,697.5 million THB.

Current assets decreased due the company received repayment from the trade receivables amount 620.2 million THB and paid short-term borrowing to the joint venture amount 986 million THB for the joint venture to purchase the land for the construction project of the Niche Pride Ratchada-Thapra project. And Niche Mono Changwattana project and receive a loan from a joint venture of 756 million THB

Non-current assets as of 30 June 2019 were 4,704.1 million baht, an increase of 1,051.0 million baht or 28.8 percent compared to as at December 31,2018. With non-current assets equal to 3,653.1 million baht, Mainly due to the increase in joint venture investment of 1,063.2 million THB, the company Has invested in a joint venture with Han Q Han Shin Property For the development of more 6 condominium projects, including 1) Niche Pride Ratchada Thapra 2) Niche Mono Rama 9 3) Niche Pride Somdej Chaopraya 4) Niche Mono Chaengwattana Phase 1 5) Niche Pride Bang Po and 6) Niche Mono Isaraphap

Liabilities

As of June 30, 2019, the Company and subsidiaries had total liabilities of 8,378.2 million THB, consisting current liabilities of 5,423.2 million THB and non-current liabilities of 2,955.0 million THB, respectively. Total liabilities increased 583.8 million THB compared to as at December 31,2018

Mainly due to an increase in current liabilities of 1,508.4 million THB and a decrease in non-current liabilities of 924.1 million THB, which the company must procure sources of funds to support business expansion, open projects and under construction of many projects. And to operate the business of the company by issuing promissory notes by financial institutions and issue bills of exchange and the maturity of the debentures due within one year

The debt to equity ratio is 1.4, which the company can maintain the debt to equity ratio (D/E) not exceeding 1.5 to 1.

Shareholders' equity

In the second quarter of 2019, the Company and subsidiaries had shareholders' equity of 6,002.0 million THB, an increase of 98.9 million THB compared to December 2018, which was equal to 5,903.1 million THB as a result of an increase in retained earnings of 274.4 million THB.

Yours Sincerely,

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