

Translation

SC-L 267/2018

November 13, 2018

Subject: Management Discussion and Analysis Quarter 3 Ending September 30, 2018

To: The President of The Stock Exchange of Thailand

The Board of Directors' Meeting of SC Asset Corporation Public Company Limited (the Company) No.6/2018, held on November 13, 2018, approved the financial statements for the third quarter ending September 30, 2018. Accordingly, the Company would like to submit the reviewed financial statements and also clarify material information in their statements of comprehensive income are as follows:

Consolidated financial information (Unit : Million baht)	Quarter 3			For the nine-month periods		
	2018	2017	Difference %	2018	2017	Difference %
Operating revenues	3,708.28	3,220.69	15.14	10,350.46	7,823.94	32.29
Operating cost	2,416.50	2,071.24	16.67	6,740.51	4,958.30	35.94
Gross profit	1,291.78	1,149.45	12.38	3,609.95	2,865.64	25.97
Selling expenses	393.47	327.30	20.22	1,038.33	916.94	13.24
Administrative expenses	381.53	346.23	10.20	1,139.03	1,029.98	10.59
Finance costs	29.97	25.16	19.12	64.15	51.36	24.90
Income tax expense	101.78	94.44	7.77	292.52	183.98	59.00
Total comprehensive income attributable to owners of the parent	391.78	363.96	7.64	1,096.13	703.56	55.80
Basic/ Diluted earnings per share (Baht)	0.0937	0.0871	7.58	0.2623	0.1683	55.85

1. Operating revenues

- Operating revenues for the third quarter of Year 2018 and 2017 were Baht 3,708.28 million and Baht 3,220.69 million respectively increased by Baht 487.59 million or 15.14%. Changes were as follows:

Unit : Million Baht

	Quarter 3		Difference	
	2018	2017	Amount	%
Revenue from sales	3,499.57	3,002.79	496.78	16.54
Revenue from rental and rendering services	208.44	217.63	(9.19)	(4.22)
Revenue from consulting and management services	0.27	0.27	-	-
Total operating revenues	3,708.28	3,220.69	487.59	15.14

Increased operating revenue was from revenue from sales as follows :

Unit : Million Baht

Revenue from sales	Quarter 3		Difference	
	2018	2017	Amount	%
Low rise projects	2,556.64	2,476.21	80.43	3.25
High rise projects	942.93	526.58	416.35	79.07
Total revenue from sales	3,499.57	3,002.79	496.78	16.54

- Operating revenues for the nine-month periods ended September 30, 2018 and 2017 were Baht 10,350.46 million and Baht 7,823.94 million respectively increased by Baht 2,526.52 million or 32.29%. Changes were as follows:

Unit : Million Baht

	For the nine-month periods		Difference	
	2018	2017	Amount	%
Revenue from sales	9,722.83	7,190.07	2,532.76	35.23
Revenue from rental and rendering services	626.81	633.05	(6.24)	(0.99)
Revenue from consulting and management services	0.82	0.82	-	-
Total operating revenues	10,350.46	7,823.94	2,526.52	32.29

Increased operating revenue was from revenue from sales as follows :

Unit : Million Baht

Revenue from sales	For the nine-month periods		Difference	
	2018	2017	Amount	%
Low rise projects	7,078.51	5,520.69	1,557.82	28.22
High rise projects	2,644.32	1,669.38	974.94	58.40
Total revenue from sales	9,722.83	7,190.07	2,532.76	35.23

- Operating revenues for the third quarter of Year 2018 and for the nine-month period ended September 30, 2018 increased from the corresponding period of the previous year due to increasing in revenue from sales of low rise projects and high rise projects.

2. Operating Cost

- Operating cost for the third quarter of Year 2018 and for the nine-month period ended September 30, 2018 increased from the corresponding period of the previous year due to cost of sales increased which corresponding with revenue from sales as described in clause 1.

3. Gross profit

- Gross profit for the third quarter of Year 2018 and for the nine-month period ended September 30, 2018 increased from the corresponding period of the previous year due to gross profit from revenue from sales increased.

4. Finance costs

- Finance costs for the third quarter of Year 2018 and for the nine-month period ended September 30, 2018 increased from corresponding period of the previous year. This is because the condominium projects were completed in the Year 2018; therefore, the finance costs of the projects were recorded as interest expenses. Meanwhile, in the corresponding period of Year 2017, since condominium projects were under construction, the finance costs of the projects were recorded as real estate development cost.

5. Income tax expense

- Income tax expense for the third quarter of Year 2018 and for the nine-month period ended September 30, 2018 increased from the corresponding period of the previous year due to increasing in operating profit.

6. Profit for the period

- Profit attributable to owners of the parent for the third quarter of Year 2018 and for the nine-month period ended September 30, 2018 increased from corresponding period of the previous year due to increasing in operating revenues as described above.

Please be informed accordingly.

Sincerely yours,

-Signed-

Mr.Attapol Sariddipuntawat

Chief Corporate Officer

SC Asset Corporation Public Company Limited