

Translation

SC-L 050/2019

February 20, 2019

Subject: Management Discussion and Analysis Yearly Ending December 31, 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.2/2019, held on February 20, 2019, approved the financial statements for the Year 2018. Accordingly, the Company would like to submit the audited financial statements and also clarify material information in their statements of comprehensive income are as follows:

(Unit : Million baht)

Consolidated financial information	For the Year		
	2018	2017	Difference %
Operating revenues	15,615.96	12,450.19	25.43
Operating cost	10,187.84	7,991.81	27.48
Gross profit	5,428.12	4,458.38	21.75
Selling expenses	1,538.84	1,354.30	13.63
Administrative expenses	1,567.17	1,368.43	14.52
Finance costs	98.13	78.67	24.74
Income tax expense	478.67	329.46	45.29
Profit attributable to owners of the parent	1,781.74	1,258.58	41.57
Basic and Diluted earnings per share (Baht)	0.4263	0.3011	41.58

1. Operating revenues

- Operating revenues for the Year 2018 and 2017 were Baht 15,615.96 million and Baht 12,450.19 million respectively increased by Baht 3,165.77 million or 25.43%. Changes were as follows:

Unit : Million Baht

Operating revenues	For the Year		Difference	
	2018	2017	Amount	%
Revenue from sales	14,782.63	11,600.35	3,182.28	27.43
Revenue from rental and rendering services	831.63	848.75	(17.12)	(2.02)
Revenue from consulting and management services	1.70	1.09	0.61	55.96
Total operating revenues	15,615.96	12,450.19	3,165.77	25.43

Increased operating revenue was from revenue from sales which have more launched development projects than previous year. Revenue from low rise projects and high rise projects were as follows :

Unit : Million Baht

Revenue from sales	For the Year		Difference	
	2018	2017	Amount	%
Low rise projects	10,922.76	9,092.76	1,830.00	20.13
High rise projects	3,859.87	2,507.59	1,352.28	53.93
Total revenue from sales	14,782.63	11,600.35	3,182.28	27.43

2. Operating Cost

Unit : Million Baht

Operating cost	For the Year		Difference	
	2018	2017	Amount	%
Cost of sales	9,867.13	7,677.87	2,189.26	28.51
Cost of rental and rendering services	319.81	313.04	6.77	2.16
Cost of consulting and management services	0.90	0.90	-	-
Total operating cost	10,187.84	7,991.81	2,196.03	27.48

- Operating cost for the Year 2018 and 2017 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 Year 2018 increased from Year 2017 due to gross profit from revenue from sales increased.

4. Finance costs

- Finance costs for the Year 2018 and 2017 were Baht 98.13 million and Baht 78.67 million respectively increased by Baht 19.46 million or 24.74%. 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 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 Year 2018 and 2017 were Baht 478.67 million and Baht 329.46 million respectively increased by Baht 149.21 million from the corresponding period of the previous year due to increasing in operating profit.

6. Profit for the year

- Profit attributable to owners of the parent for the Year 2018 and 2017 were Baht 1,781.74 million and Baht 1,258.58 million respectively increased by Baht 523.16 million 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