

Ref: PSH-CS 59/2018

21 February 2019

Subject: Clarification of 2018 Operating Result

To: President
The Stock Exchange of Thailand

Pruksa Holding Public Company Limited ("the Company") would like to clarify operating results of the Company for year ended 31 December 2018 (consolidated financial statements) as follows:

The operating results for 2018 mainly derived from the real estate business.

Comparison presales for year ended 31 December 2018 and 2017

Unit: million baht

Products	Yearly presales ended		Increase (Decrease)	% Change
	31 Dec 2018	31 Dec 2017		
Townhouse	24,118	21,751	2,367	10.9
Single-detached house	9,756	7,693	2,063	26.8
Condominium	17,228	18,093	(865)	(4.8)
International Segment	-	-1	1	(100.0)
Total	51,101	47,536	3,566	7.5

In 2018, the Company delivered presales from real estate business of Baht 51,101 million, an increase of Baht 3,566 million or 7.5% compared to 2017. In 2018, the Company launched 55 new projects with total project value of Baht 54,353 million, compared to 56 new projects with total project value of Baht 59,247 million in 2017. The launched projects consist of 35 townhouses projects with value of Baht 21,318 million, 9 single detached house projects with value of Baht 10,297 million and 11 condominium projects with value of Baht 22,738 million (The Tree Ladprao 15, The Reserve Sathorn, The Tree Dindaeng-Ratchaprarop, Chapter One Flow Bangpo, Plum Condo Sapanmai, Plum Condo Rangsit Alive, The Privacy Jatujak, The Tree Hua Mark, Plum Condo Mixed Changwattana, Chapter Thonglor 25 and The Reserve 61 Hideaway).

For 2018, presale from townhouse and single detached house segments increased Baht 2,367 million and Baht 2,063 million or increased 10.9% and 26.8% yoy respectively.

Comparison performance of the Company for year ended 31 December 2018 and 2017

Unit: million baht

Statement of comprehensive income	31 Dec 2018	%	31 Dec 2017	%	Increase/ (Decrease)	%YoY
Revenue from sale of real estate	44,901	99.6	43,935	99.6	966	2.2
Other income	170	0.4	178	0.4	(8)	(4.6)
Total Revenue	45,071	100.0	44,113	100.0	958	2.2
Cost of real estate sales	28,815	64.2	28,222	64.2	593	2.1
Gross profit	16,256	36.2	15,891	36.2	365	2.3
Selling and Administrative expenses	8,430	18.7	8,537	19.4	(106)	(1.2)
Selling expenses	4,396	9.8	4,351	9.9	45	1.0
Administrative expenses	4,034	9.0	4,186	9.5	(151)	(3.6)
Profit before finance cost and income tax expense	7,826	17.4	7,354	16.7	471	6.4
Financial cost	139	0.3	197	0.4	(59)	(29.6)
Profit and loss from Joint Venture	0	0.0	0	0.0	0	20.7
Profit before income tax expense	7,686	17.1	7,157	16.2	530	7.4
Income tax expense	1,556	3.5	1,582	3.6	(27)	(1.7)
Profit for the period	6,131	13.6	5,574	12.6	557	10.0
Non-controlling interests	108	0.2	118	0.3	(9)	(7.9)
Owners of the Company	6,022	13.4	5,456	12.4	566	10.4

Remark: Percentage in statement of comprehensive income derived from total income, while percentage of cost of real estate sales and gross profit related to revenue from sale of real estate.

Revenue

For 2018, the Company generated total revenue of Baht 45,071 million, comprised of Baht 44,901 million from the sale of real estate and Baht 170 million from other revenue.

Revenue from sale of real estate business by product segment for year ended 31 December 2018 and 2017

Unit: million baht

Products	Year ended				Increase (Decrease)	%YoY
	31 Dec 2018	%	31 Dec 2017	%		
Townhouse	22,566	50.3%	22,694	51.7%	(129)	(0.6)
Single-detached house	8,924	19.9%	9,159	20.8%	(235)	(2.6)
Condominium	13,411	29.9%	12,068	27.5%	1,343	11.1
International segment	-	-	13	-	(13)	(100.0)
Revenue from sale real estate	44,901	100.0%	43,935	100.0%	966	2.2

For 2018, revenue from real estate business was Baht 44,901 million, an increase of Baht 966 million or increased 2.2% yoy. Revenue mainly increased from condo segment at Baht 1,343 million or increased 11.1% yoy due to new condo transfers from Plum Condo Central Station Phase II, Plum Condo Changwattana Phase III, Plum Condo Pinklao Station, Plum Condo Ramkhamhaeng Station and Chapter One Eco Ratchada Huaykwang. While revenue from townhouse segment was Baht 22,566 million, a decrease of Baht 129 million or decreased 0.6% yoy and revenue from single detached segment was Baht 8,924 million, a decrease of Baht 235 million or decreased 2.6% yoy. The international segment revenue also declined as the Company has already transferred its 100% ownership in 2017 and is not planning to open any new international project further.

Cost of real estate sales

For 2018, the Company reported cost of real estate sales of Baht 28,815 million or 64.2% of revenue from real estate compared to Baht 28,222 million or 64.2% of revenue from real estate in 2017. The cost of real estate sales ratio maintained at the same rate of last year reflected in good management of cost efficiency.

Gross profit margin from sale of real estate by product segment

For 2018, the Company reported gross profit margin of the townhouse segment of 34.7%, followed by the single-detached house at 33.5% and 39.6% for the condominium segment. The gross profit margin of condominium segment improved compared to last year.

Selling & Administrative expenses

For 2018, the Company reported selling expenses of Baht 4,396 million, an increase of Baht 45 million or increased 1.0% from 2017, mainly from an increase in sale office & mock-up expenses of Baht 10 million due to 11 new project launches and an increase in special business tax expenses of Baht 30 million due to more transfers.

The administrative expenses were Baht 4,034 million, a decrease of Baht 151 million or decreased 3.6% from 2017, mainly from a decrease of Baht 141 million in legal case expenses and Baht 64 million in professional fee while the new office rental expenses increased Baht 76 million from the new office relocation, including software and hardware maintenance expenses for enhancement of IT system.

Financing cost

For 2018, the Company reported financing cost of Baht 139 million, a decrease of Baht 59 million from 2017, due to the lower of average cost of fund.

As of 31 December 2018, interest bearing debt to equity ratio was 0.66 times and interest bearing debt less cash ending to equity ratio was 0.62 times, resulting from the effective debt management of the Company and its subsidiaries.

Net profit

For 2018, net profit of the Company was Baht 6,022 million or 13.4% of total revenue, compared to net profit of Baht 5,456 million or 12.4% of total revenue for 2017, an increase of Baht 566 million or increased 10.4% yoy, mostly came from revenue improvement and lower of selling & administrative expenses, reflected in better cost efficiency management.

Consolidated statement of financial position

	31 Dec 2018	31 Dec 2017		31 Dec 2018	31 Dec 2017
	(MB)			(MB)	
Assets			Non-interest bearing debt		
Current Assets			Accounts payable	2,284	2,379
Cash and Cash equivalents	1,445	1,348	Other non current liabilities	10,587	6,905
Real estate project under development	71,960	63,791	Total non interest bearing debt	12,871	9,284
Other current assets	2,263	1,090	Short-term loans from financial institution	5,600	2,800
Total current assets	75,668	66,228	Long-term loans	500	-
property, plant and equipments	4,739	4,633	Current portion of long-term debentures	6,400	6,000
Other non-current assets	1,438	1,382	Long-term debentures	14,600	15,500
Total non-current assets	6,178	6,015	Total interest bearing debt	27,100	24,300
Total assets	81,845	72,244	Total liabilities	39,971	33,584
			Equity	41,171	37,909
			Non-controlling interests	704	750
			Total liabilities and equity	81,845	72,244

Remark: Portion of consolidated statement of financial position

As of 31 December 2018, the Company had 187 active projects with total project value of Baht 206,851 million. It was categorized by product segment as follows; 114 townhouse projects with total value of Baht 90,753 million, 43 single detached house projects with total value of Baht 48,165 million, 21 condominium (value business) projects with total value of Baht 45,383 million and 9 condominium (premium business) projects with total value of Baht 22,550 million.

As of 31 December 2018, the Company reported interest bearing debt which consist of short term loans from financial institutions with value of Baht 5,600 million, long term loans with value of Baht 500 million and long-term debentures with value of Baht 21,000 million, classified into current portion of long-term debentures with value of Baht 6,400 million and long term debentures with value of Baht 14,600 million.

During 2018, the Company repaid Baht 6,000 million of debentures and issued Baht 5,500 million of new debentures. The first issuance value was 4,750 million baht at 3 years maturity, 2.37% of coupon rate with every 6 months payment. The second issuance value was 750 million baht at 5 years maturity, 2.84% of coupon rate

with every 6 months payment. The Company also issued Baht 6,100 million of Promissory Notes and loans from financial institutions in order to repay debenture and increase working capital.

Please be informed accordingly.

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